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LESSON PLAN MANUAL, A SERIES OF LESSON PLANS AND WORKSHEETS ON CONSUMER EDUCATION AND STUDENT WORKSHEETS FOR CONSUMER EDUCATION LESSON PLANS, ADULT BASIC EDUCATION.

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This manual provides teachers with lesson plans in consumer education. Each lesson contains background material offering the teacher specific information on the subject of the lesson, development of understandings, student worksheets, and discussion questions to encourage student involvement. The ten lesson plans are--Buying on time, Retail installment contracts, Shopping for money, Getting more for your money, Banking services, Fraudulent selling, Shopping for clothing and food, Sales--discount and seasonal, and Landlord-tenant relationship. Emphasis has been placed upon the benefits derived from accurate information. Students become familiar with the full meaning of contract signing, and learn about the lending institutions, the varied cost of borrowing money, and how to shop carefully. (Document includes a separate set of student worksheets. Free copies of this publication are also available to New York State school personnel when ordered through a school administrator from the Publications Distribution Unit, State Education Building, Albany, N.Y. 12224.) (aj)

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CONSUMER EDUCATION

LESSON PLANS

adult basic education

THE UNIVERSITY OF THE STATE OF NEW YORK/THE STATE EDUCATION DEPARTMENT
BUREAU OF CONTINUING EDUCATION CURRICULUM DEVELOPMENT/ALBANY

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LESSON PLAN MANUAL

* * *

a

Series of Lesson Plans and Worksheets

on

CONSUMER EDUCATION

•DEPARTMENT STORE•
BARGAIN
LOW PRICE!
SALE

* * *

THE UNIVERSITY OF THE STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT
BUREAU OF CONTINUING EDUCATION CURRICULUM DEVELOPMENT
ALBANY, NEW YORK 12224
1967

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PREFACE

We release these suggested lesson plans in adult basic education to the schools with a particular sense of pride. They represent an important element in the Department's new and original materials in adult basic education, designed to teach the social living skills. Teachers will find a rich resource in the four packets which contain these lesson plans along with related filmstrips and flipcharts, each with a separate teacher's manual; student worksheets for the illiterate and the beginning reader; and plastic recordings which enable the students to "take the lessons home" and play them for the family.

As the committees listed in this publication indicate, extensive advice was sought by the Department in the choice of subject matter and the planning of the content and approaches for teaching these materials. In addition, nationally-known experts worked on their preparation and the validation of technical accuracy.

This Department is striving to provide appropriate materials of quality for the education of students in adult basic education programs. Your use of these materials should help to interest students in continued learning and should provide them with valuable practical information for daily living.

Walter Crewson

WALTER CREWSON
Associate Commissioner for
Elementary, Secondary and
Continuing Education

FOREWORD

This manual has been designed to provide teachers with suggested lesson plans in the area of consumer education. Each lesson contains background material for the teacher, offering specific information on the subject of the lesson plan, aims of the lesson, development of understandings, and student worksheets. Discussion questions are suggested throughout the lessons to encourage the greatest possible student involvement. This publication is the main component of a packet of materials in consumer education and constitutes the central core of materials to use in teaching students in adult basic education. Additional elements in the packet are flipcharts and filmstrips, each with its accompanying teacher's manual. This Bureau also plans to produce inexpensive phonograph disks related to the lesson plans which the student may take home to play and share with the family. Similar packets are now available to help teachers of adult basic education in the areas of practical government, health and nutrition, and parent education and family life.

The Bureau of Continuing Education Curriculum Development, expresses appreciation to Ann Hallock, former Cooperative Extension Agent, New York State College of Home Economics at Cornell and Home Economist, New York State Department of Social Welfare; Robert St. Germain, Adult Education Teacher, White Plains Public Schools; and Gladys E. Alesi, Director, Related Education, Better Essential Skills Training Program, for preparing the manuscript for the lesson plans. Dr. Aurelia Toyer, Director of Labor Research, prepared the background materials and with Dr. Persia Campbell, Consumer Consultant, Community Development Agency, New York City and Professor of Economics (Emeritus), University of North Carolina, gave cogent suggestions on all components of this packet. Prudence Connor, Professor Emeritus, Syracuse University, assisted during the planning stage. Mary C. McDonald, Assistant Director, Bureau of Community Education, Fundamental Adult Education Program, New York City Public Schools, worked with this Bureau and consultants on the planning of all materials for the adult basic packets. The art work for the student worksheets was executed by John Bischof, Albany High School.

Special appreciation is extended to the Office of the Honorable Louis J. Lefkowitz, Attorney General of the State of New York and to Assistant Attorney General Herbert H. Smith, for continued guidance and valuable assistance with the technical accuracy of the material.

Further acknowledgment is given to Alfred T. Houghton, Chief, Bureau of Basic Continuing Education, and the following members of his staff who reviewed the materials and made valuable suggestions which were incorporated into the manuscript: Joseph A. Mangano, Lois A. Matheson, and Harvey Johnson. Gratitude is also extended to Nida E. Thomas, Associate Administrator, Division of Intercultural Relations, who serves as consultant to this Bureau on all adult basic materials being developed. Dr. Rowland J. Pulling, former

Director of the Division of Continuing Education, made many important contributions to the early plans for this series of publications. Dr. Robert A. Passy, Chief, Bureau of Pupil Testing and Advisory Services, worked on the early stages of this project as a former Associate in this Bureau.

Herbert B. Safran, Associate, Bureau of Continuing Education Curriculum Development, edited and prepared the manuscript for publication.

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INTRODUCTION

The packets for adult basic education described in the *Foreword*, have been designed in terms of the recommendations of the advisory committees. The 10 lesson plans in this manual are as follows:

- Buying on Time
- Retail Installment Contract
- Shopping for Money
- Getting More for Your Money
- Banking Services
- Fraudulent Selling
- Shopping for Clothing
- Shopping for Food
- Sales: Discount and Seasonal
- Landlord-Tenant Relationship

Emphasis in the lesson plans has been placed upon the benefits derived from accurate information and the attendant understandings it could produce in the consumer that might help him avert possible costly consequences to himself and his family. Students become familiar with the full meaning of contract signing. They become informed about the different institutions that lend money and the varied cost of this money at the different institutions. The theme of comparison shopping is a repeated one throughout these lesson plans.

These lesson plans have been prepared with the hope of assisting teachers and thereby attracting the interest and concern of adult students with problems in consumer education.

Alfred T. Houghton, Chief
Bureau of Basic Continuing Education

Monroe C. Neff, Director
Division of Continuing Education

TO THE TEACHER

It is our hope that these new materials will prove to be of practical value in your important task of providing improved instructional programs for students in adult basic education classes. We are genuinely interested in receiving your reactions to the materials appearing in this publication which represents a breakthrough in the production of this type of curriculum document for use in teaching adults.

As you use these materials, you can make a significant contribution to the advancement of the project if you record your reactions and suggestions on the evaluation sheet found at the end of the booklet. We are interested in learning which portions of the packets you have been able to teach successfully, as well as those which you find difficult to carry out to a satisfactory conclusion. We should also appreciate receiving your ideas for additional activities which might be incorporated and for evaluation techniques which you used with success.

Your comments, suggestions, and evaluation will be reviewed and studied with the utmost care and then utilized in the revision and preparation of an expanded edition of these materials. All evaluation sheets and other suggestions should be sent to Herbert Bothamley, Chief, Bureau of Continuing Education Curriculum Development at the Department.

WARREN W. KNOX
Assistant Commissioner for
Instructional Services
(General Education)

BUYING ON TIME

Background Material for the Teacher

Most families use retail credit to buy expensive items like large appliances, automobiles, and furniture. Some families even have to use retail credit to buy everyday items like clothing and food. Easy credit, however, has encouraged many families to take on more debts than they can handle. These debts can cause misery if more urgent needs arise or if the family income is reduced because of the loss of a job, illness, or for some other reason.

In order to get the best buy, families should shop for credit the way in which they shop for goods. They also need guidelines in deciding how much indebtedness and monthly payments they can afford.

How much indebtedness can the family afford?

The family should examine its income and expenses before deciding to purchase goods on credit. Some of the questions which might be discussed before the purchase is made are:

- Is it necessary?
- How much from the paycheck is left over each month after living expenses and other debts are paid?
- Are present debts being paid without strain?
- How can living expenses and debts be met if income is reduced?

The cost of credit

Buying on time instead of paying cash is a more expensive way of obtaining goods because extra charges are added to the purchase price.

These charges—service charges, carrying charges, or finance charges—refer to the price paid for borrowing. The person who sells goods on time charges extra because he must wait for his money. He also charges extra to make up for the bad debts of other people who have bought on time and have not paid him. He charges, too, for checking the credit standing of the person who buys on time. The credit charges sometimes include the cost of a life insurance policy (a guarantee that the seller will get his money if a person dies before the debt is paid).

Some institutions charge more for credit than others. Banks usually charge less than stores. The charges for different kinds of credit also vary. An automobile loan may cost less than a personal loan because the automobile is security for the loan.

Types of credit

The *open charge account* is supposed to be paid in full at a specified time, usually within 30 days of the billing date. This is unlike the limited charge account which can continue indefinitely. Retail stores offer this service and many neighborhood grocery stores do too, but the grocery stores may require payment within a week. In one sense, the retailer absorbs the cost of the open charge account by adding it to the cost of operating the store. But since the cost of operating the store is reflected in the price of all his items, the customer is in effect paying for the service but he is not paying any "interest."

The *limited credit account* used by retail stores is sometimes called a revolving charge account, a personal budget account, or a continuing credit account. They are all forms of limited credit plans and they are regulated by the State.

Depending on the customer's income and credit rating, his purchases are limited to a specific amount of money and he agrees to repay at a specified rate. For example, the limit may be $90 and the customer may repay at the rate of $15 per month. Generally, the interest rate for limited charge accounts is 1 1/2% per month on the previous month's balance.

Assume that the customer with the $90 limit has bought $60 in goods from the retailer. The first month's interest charge will be 1 1/2% of $60, which is 90 cents. Therefore, of the $15, which the customer will pay, $14.10 will be subtracted from his original debt of $60.

Next month the customer will pay $15 again. Since he now owes only $45.90, the interest charge will be 1 1/2% of $45.90, which is 69 cents. Therefore, $14.31 will be credited against the outstanding balance.

But if the customer buys something else before his second $15 is paid, the interest will be changed accordingly because of the new balance. The $15 basic payment will remain the same as long as the upper limit does not exceed $90. Interest under this kind of charge plan amounts to 18% a year, about 6% higher than the actual interest a bank charges.

The *installment credit contract* is a form of credit used primarily for purchasing large items such as automobiles or refrigerators. The purchaser usually makes a downpayment but sometimes he merely agrees to pay a stated amount each week or each month until the debt is paid. Unlike the limited account, the financial ceiling for an installment credit contract can be several thousand dollars. And, unlike the open charge account, the installment credit contract provides for repayment over an extended period--sometimes up to 3 years. The seller keeps title to the item until it is paid in full. In case of default of repayment, he may repossess the item.

Suggested Lesson Plan

Aims

- To establish some guidelines for buying on time
- To develop an understanding that credit costs money

Motivation

Read the following account to the class. Ask them if they can relate similar experiences. Have them consider the following thought in relation to their own lives.

What made it easy for Mr. and Mrs. Smith to buy so many things?

Did This Ever Happen To You?

The first monthly payment due on a floor lamp would be biting into the required payment on the TV set. Mr. Smith decided to return the lamp because he had paid so much on the TV and did not want to sacrifice it. If he didn't keep up those payments, the store would take back the set.

"We've got to return the lamp," he told his wife.

"I don't want to," she replied. "Do we have to?"

"There's no choice," said Mr. Smith. "Anyway, we won't be losing anything on the lamp, because we haven't paid anything on it yet except for a few dollars downpayment."

"Oh, but the lamp looks so nice in that corner," she remarked.

"Yes, but we never use it," her husband answered drily. "The ceiling fixture gives plenty of light anyway."

Development

Discuss the account in the light of the question given to the class before the reading.

- Can the lamp be returned without penalty?
- What can happen if a purchaser fails to make payments on time?
- Duplicate the following and hand copies out to the class or write on the chalkboard in order to show the cost of credit.

An Example of the Cost of Credit

A television costs $310 and can be paid for by making a $10 downpayment and 12 monthly payments of $26.50 each.

1. Multiply the amount of monthly payments by the number of months in which the amount is to be repaid.

$26.50	Monthly payments
X 12	Number of months
$318.00	in payments

2. Subtract the amount to be financed from that total--cost minus the downpayment.

$318.00	Cost of television minus downpayment ($10.00)
-300.00	Amount to be financed
$ 18.00	finance charge

3. Read $18.00 as the dollar cost of credit.

$310.00	Cost of television
18.00	Cost of finance charge
$328.00	Total cost of television (includes $10.00 downpayment)

What are the reasons for high cost of credit?

- There is a risk that the lender may not get his money back.
- The lender has to wait for his money.
- There is a cost involved in checking a borrower's credit rating.
- The borrower may die before the money is repaid to the lender.

Rules to Remember

- Make sure that the item you are going to buy is necessary.
- Compare the interest rate and the total cost of financing the item you have to pay in different places.
- Visit a bank or credit union office to find out their rates.
- The places where it is easiest to borrow money are almost always where the interest is highest.
- The places where it is easiest to buy on time usually charge the most.

The method shown on the preceding page is just one way to compute finance charges. Another common method of financing is the 1 1/2 percent of the unpaid balance. An example of this has been worked out in the background material for the teacher and this or a comparable example may be used. It should be noted that if the 1 1/2 percent charge were used in the television example, the finance charges would be about $22.50 or $4.50 more than the straight 6 percent charge shown here.

Summary

Distribute copies of Worksheet A. Allow the students a few moments to scan the illustration and then ask questions like the following to begin the discussion:

- Where are the best places to borrow money to make a major purchase? Why?
- Whom should you avoid going to in order to borrow money? Why?
- What are some of the things you must consider before buying on time?

These are just three suggested questions the teacher may ask in order to accomplish the function of the worksheet.

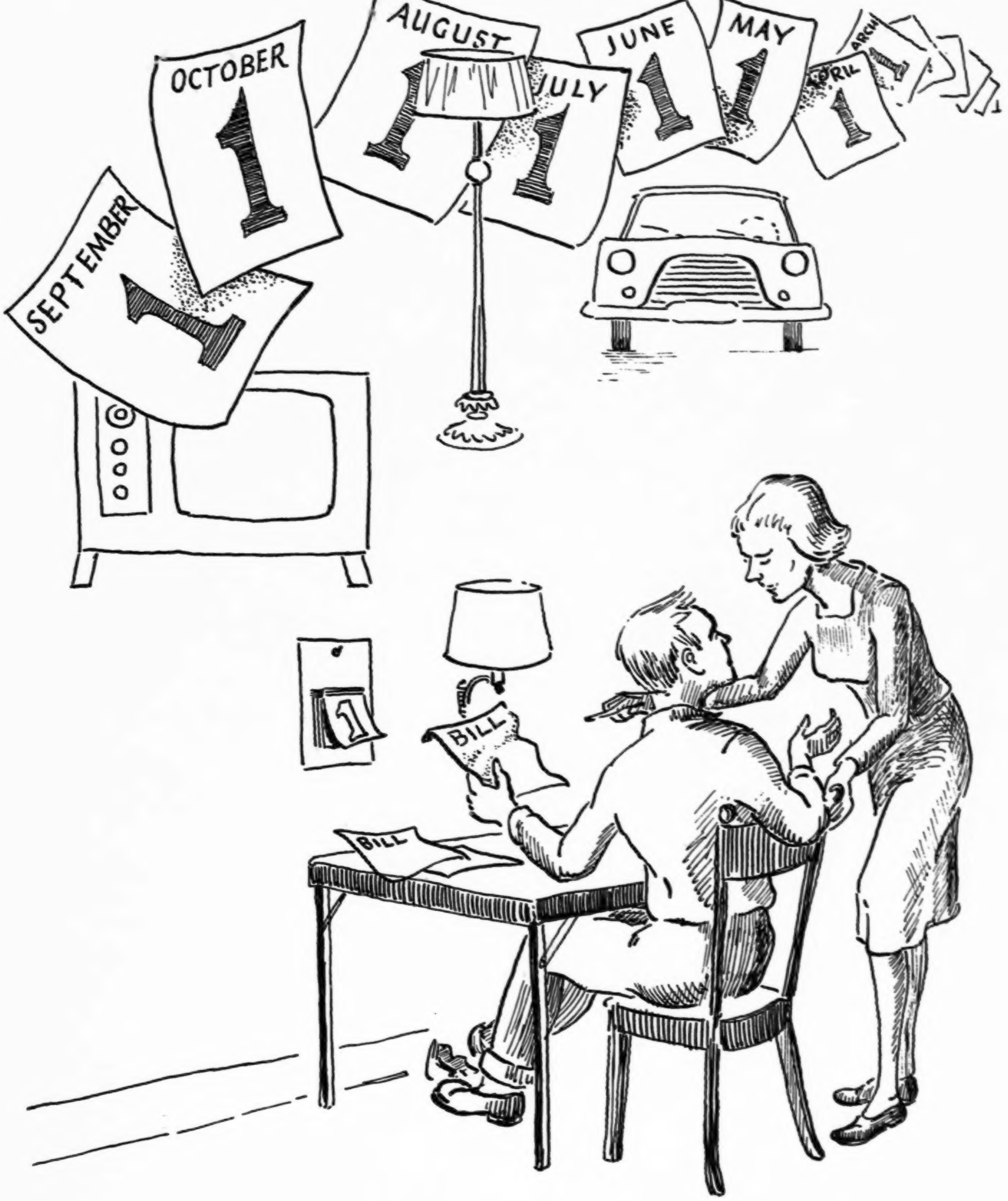
Distribute copies of Worksheet B and read the questions very slowly to or with the students. Since the questions are more analytical in nature than other worksheets, they require more time for thought on the part of the students. This worksheet may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard.
- Select a small committee to present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

NEW YORK STATE EDUCATION DEPARTMENT
Bureau of Continuing Education Curriculum Development

Student Worksheet A: *Buying on Time*

CAN WE AFFORD IT?


SEPTEMBER
1
OCTOBER
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AUGUST
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JULY
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JUNE
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MAY
1
APRIL
1
MARCH
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BILL
BILL

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Student Worksheet B: *Buying on Time*

Instructions: Read and discuss the following questions with the class.

1. Your monthly income is $300.00. Your expenses are $280.00. A new color TV set costs $20.00 each month, and you already have an old, small-screen TV.

   - Can you afford the TV set?
   - Should you buy it if you think you can afford it?
   - What can you do to tell if you can afford it?

2. Your 1952 car runs well, but it costs about $25.00 each month for repairs. A newer car (1960) costs $40.00 each month on the installment plan.

   - Should you buy the newer car? Why or Why not?

3. WHY DO WE BUY ON TIME? (Check the correct choice.)

   ☐ To keep up with our friends
   ☐ To brag to our neighbors
   ☐ To make our lives easier
   ☐ To feel rich

4. Total cost of refrigerator including finance charges is $224.00. The original cost of refrigerator is $200.00.

   - How much are the finance charges?
   - Can you see that financing any purchase costs a good deal?

5. How do *you* answer these questions *before* you buy anything on time?

   - Do I really need it?
   - Can I afford it?
   - How much will the service credit charge add to the cost?
   - How much are the monthly payments?
   - Can I get cheaper credit somewhere else?

THE RETAIL INSTALLMENT SALES CONTRACT

Background Material for the Teacher

Installment credit is used by families to buy expensive goods like automobiles, furniture, and large household appliances. Buying goods on the installment plan costs extra because the seller charges money for the privilege of taking goods home without paying for them right away. Since so much buying is done on the installment plan, it is important to understand the retail contract.

Installment Contract

The installment contract is the name given to the written agreement signed by the buyer when he purchases goods on the installment plan. When a person signs his name to such an agreement, *he is bound by its provisions.* He cannot claim that he did not understand what he signed.

The retail installment contract protects both the buyer and the seller of the merchandise.

The retail installment contract contains the following:

- A detailed description of the merchandise
- The cash price of the merchandise
- The amount of credit charges and their breakdown
- The total cost of the merchandise (the cash price plus credit charges)
- The amount of the downpayment and the trade-in allowance, if any
- The balance owed after the downpayment and trade-in allowance are subtracted
- The amount of each payment (Some retail installment contracts contain "balloon payments." The payments toward the end of the payment period are much larger than the other payments. If the buyer is unable to meet these large payments, the contract may be refinanced at additional credit charges.)
- The number of payments to be made
- The date of each payment
- The person or firm to which the payment should be made

- The amount, if any, included for insurance, specifying the coverage (life, fire, theft) and its cost

The responsibility of the seller for the performance of the goods should be clearly spelled out. Many families have been sold defective merchandise which broke down or wore out before all the payments were made. Even though the goods were worthless, they had to continue making payments.

The buyer should obtain a written warranty stating the length of the period during which the consumer will be protected, the circumstances under which the article will be repaired or replaced, and whether the manufacturer or the seller will be responsible. The warranty is only as good as the warrantor. If, for example, he goes out of business, his warranties become worthless.

Penalties

If the buyer misses payments or pays late, he may be subject to penalties. The contract should be read to see what the penalties are.

The repossession of merchandise by the seller does not relieve the buyer of his debt. The seller may try to sell a repossessed article to someone else for the amount still owed. If he cannot recover the amount still owed, the original buyer may be held liable for the difference. He may also be held liable for the costs incurred in the repossession and resale of the goods.

No installment contract in New York State may contain a wage assignment but income executions (wage garnishments) are an all too familiar result of unwise installment buying. When several payments are missed, the seller may commence a court action to attach the wages of the buyer by serving the buyer with a summons. If the judgment of this action is in the seller's favor, the seller may then obtain a garnishee execution. The costs of the action for an income execution are usually added to the debt owed. In some cases, as a result of a garnishment, the buyer finds that his bill has doubled. The New York State law states that an employer cannot fire an employee if the employee's wages are garnisheed. But if it happens more than once in a 12-month period, the law doesn't apply. An employer would then be free to fire his employee.

Suggested Lesson Plan

Aims

- To develop the understanding that the retail installment contract is a protective instrument for the seller and the buyer
- To improve the understanding of certain points and terms found in an installment contract
- To acquaint the class with the names of agencies that can assist them before they obligate themselves with a contract

Motivation

One of the ways to introduce this lesson is to draw upon your own experience of buying on the installment plan. With this as a basis of instruction make sure you are including information cited in the aims. Then, call upon various members of the class to relate their experiences with the installment plan.

The teacher may ask students to answer questions like the following from their experience with retail installment contracts:

- What did you buy?
- How much was it?
- How much cash did you have to put down?
- How much credit service charge did you have to pay?
- What were the monthly payments?
- What would happen if you didn't make your payment on time?
- Did you really need this item?

Development

The lesson should include some of the highlights of the retail installment contract. Each student should have a copy of the "Contents of a Retail Installment Contract" in front of him while the teacher discusses these points. Included at the bottom of the page is an actual portion of a retail installment contract which the teacher may also wish to review with the students.

Ask the class to discuss the purpose of a contract. Be sure they see it objectively and that its major purpose is to protect both buyer *and* seller.

The following methods could be used to illustrate the contents of a retail installment contract:

- Duplicate and distribute copies to each person.
- Write these 10 major points on the chalkboard.
- Use an opaque projector to project a copy.
- Prepare a transparency to be used on an overhead projector.

Here is an example that might be used to illustrate a contract using specific figures.

- The cash selling price of a TV is $300.00 All that is needed is $30.00 downpayment. There is a credit service charge of $16.20. The monthly payments are $23.85 for 1 year and are due the tenth of each month. If they are later than 2 weeks, there is an overdue charge of $1.50.

This information may be put on the chalkboard in the following manner:

Cash Selling Price of TV	$300.00
Cash Downpayment	30.00
Balance of Cash Sales Price	270.00
Credit Service Charge	16.20
Monthly Payments for 1 year	23.85
Due tenth of each month	

Some suggested questions on this might include:

- What is meant by the "Cash Selling Price?"
- What is the "Cash Downpayment?"
- What would the "Balance of Cash Sales Price" be?
- And what is the "Credit Service Charge?"
- How much does the TV set really cost?
- What is a monthly payment and due date?
- The section on "Late Charges" is on the back of the contract. What is a late charge?
- How important is a person's signature?

Another set of figures might be used to work on with the class. One person might even wish to volunteer specific figures of an article he recently purchased with a retail installment contract. If so, use his experience as the next part of the lesson. If not, use a washing machine selling for $200.00 with $40.00 down, $160.00 balance, service charge of $9.60, $14.13 payable the first of each month.

The teacher ought to acquaint the class with certain local agencies that would provide free assistance to them, letting them know exactly what it is they are signing for. Such agencies include the Legal Aid Society, Better Business Bureau, and the local Chamber of Commerce.

Summary

1. Use of the filmstrip "Getting Credit" is suggested as a review of the material studied. Certain guide questions may be formulated to go along with the filmstrips. These might include:

   - Do you really need the item about to be bought on time?
   - Where would be the best place to obtain the money for the item?
   - Why is the contract important for you, the buyer?
   - Whom should you turn to for help in understanding what is on the contract?

   Frames 10, 26, 29-35, 39-47, 54-59 are especially appropriate for this lesson.

2. The flipchart has value for this lesson and may also be used as a review of the material covered.

3. Distribute to each student a duplicated copy of the "Contents of a Retail Installment Contract." Read and discuss the points noted for reinforcement of the lesson.

4. Distribute Worksheet A. Allow the students a moment to scan the illustration and then ask questions like the following:

   - We all agree that buying for cash is the best method, but most of us don't have that much ready cash for major purchases. What do we do to get the money for buying this item?
   - Do we ask ourselves if this item is absolutely necessary?
   - Do we check other sources to see if borrowing money there is any less expensive?

   These are just three of many questions the teacher may ask to accomplish the function of the worksheet.

5. Worksheet B is for those who are capable of using it, and may be used in a variety of ways:

   - Divide the class into groups according to reading ability and encourage the students to formulate discussions.
   - Use the questions to formulate a summary on the chalkboard.
   - Select a small committee to present its findings to the class.
   - Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

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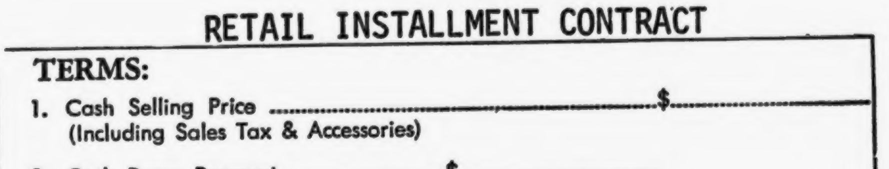
CONTENTS OF A RETAIL INSTALLMENT CONTRACT

- The description of item bought
- The cash price of this item
- The amount of credit service charges
- The total cost of item (the cash price plus credit charges)
- The amount of downpayment and trade-in allowance, if any
- The balance owed after this
- The number of payments to be made
- The date of each payment
- The person or firm to which payment should be made
- The amount, if any, included for insurance

RETAIL INSTALLMENT CONTRACT



TERMS:

1. Cash Selling Price .... $........................
(Including Sales Tax & Accessories)

2. Cash Down Payment .... $........................

3. Trade-in* $........................
Gross

Less Owing $........................ $........................
Net

4. Total Down Payment .... $........................

5. Balance of Cash Sales Price .... $........................
(No. 1 less No. 4)

6. Official Filing Fees .... $........................

7. Principal Balance .... $........................
(Total of items Nos. 5 and 6)

8. Credit Service Charge .... $........................

9. Total Time Balance .... $........................
(Total of Nos. 7 and 8)
which time balance, Buyer agrees to pay at the office of the Seller or such other place as the Seller or his assigns (herein called "Holder") may designate, in........................instalments of $........................ each, commencing........................19.........., and on the same day of each successive month thereafter. The final instalment shall equal the amount of Time Balance remaining due.

10. Total Time Price .... $........................
(Total of No. 4 and No. 9)

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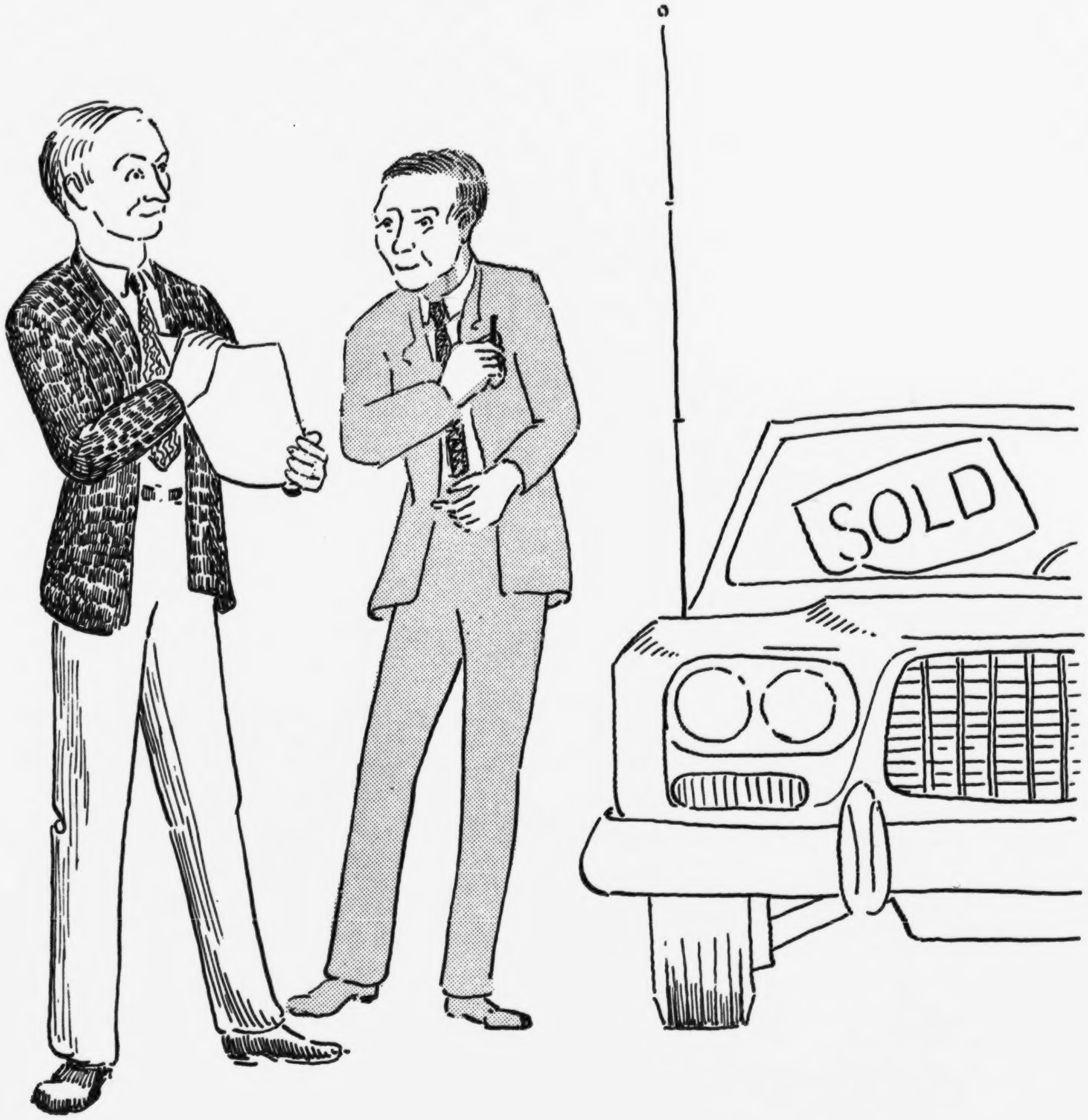
Student Worksheet A: *Retail Installment Contract*

DOES HE KNOW WHAT HE IS SIGNING?



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Student Worksheet B: *Retail Installment Contract*

Instructions: Read the following and put a check in the box to indicate the correct choice.

1. A BUYER:

   ☐ Must tell the seller before he moves

   ☐ Can move without telling the seller

2. A PERSON WHO BUYS ON THE INSTALLMENT PLAN:

   ☐ Owns the goods while paying for it

   ☐ Does not own the goods until he pays in full

3. A PERSON WHO BUYS ON THE INSTALLMENT PLAN:

   ☐ Can be charged up to $5.00 if his payment is later than 10 days

   ☐ Does not have to pay late charges if his payment is late

4. A BUYER ON THE INSTALLMENT PLAN:

   ☐ Is responsible for any loss of goods

   ☐ Is not responsible for any loss of goods

5. THE RETAIL INSTALLMENT CONTRACT PROTECTS:

   ☐ The buyer

   ☐ The seller

   ☐ Both

SHOPPING FOR MONEY

Background Material for the Teacher

Shopping for cars, houses, or furniture requires great patience and the desire to get the best item for the amount of money you have to spend. The general rule is to look around before buying anything. The same is true when shopping for money.

Money borrowed from the major lending agencies (banks, small loan companies, credit unions, and pawnbrokers) is lent at different rates of interest. The borrower is protected because these lending agencies are liccensed and regulated by either State or local law. Since the rates of interest are different, consumers should know about the types of lending agencies and the rates they charge. They should be able to compare their prices with the prices charged for credit by merchants who sell goods on the installment plan. They should know how to obtain a good credit rating so that they may borrow money at the lowest rate.

Banks

At banks the cost of borrowing money is usually the lowest, but banks usually set higher credit standards than the other loan-making agencies. In order to get a loan from a bank, a person must have a steady income and a good record of paying bills on time. Banks charge from $4.25 to $6.00 a year for every $100 borrowed. This charge may be subtracted at the time the loan is made. This is called a discount loan. A person borrowing $100 from the bank for one year at $6.00 interest will receive $94.00 less any investigative fees or other charges. And he must repay $100 in 12 monthly installments, beginning with the first month after the loan is made.

Another type of bank loan is the add-on loan. Instead of immediately subtracting the $6.00 interest from your loan and paying you the rest, the bank will give you the $100 and ask you to pay back $106 in 12 monthly installments.

Obviously the discount loan immediately denies the full use of the $100 borrowed because the bank retains the $6 charge. And like the add-on loan the borrower will have to start repaying 1/12 of the $100 back to the bank within a month. Thus even though the bank expresses the charge of $6.00, the actual payment is between 10% and 12% interest per year because there isn't a full-year's use of the money borrowed.

Small Loan Companies

Small loan companies charge more for the use of money than banks because loan companies will lend money to a person whose credit may not be good enough to enable him to borrow from a bank. Security for the loan may be furniture or a car. Interest may be as much as 2 1/2% a month for the first $100 of the outstanding balance. It is less for an amount above $100. Where the equivalent interest charges of banks may be 10 or 12% a year, the interest charges at the small loan companies up to the first $100 may be as high as 30% a year.

Credit Unions

Credit Unions are composed of groups of people who buy shares in the credit union, make loans to each other, and obtain interest on their savings in the form of dividends. These groups of people usually work in the same place, belong to the same organization, or belong to the same church. The cost of credit must not be more than $1 a month for each $100 of the unpaid balance. This is regulated by State and Federal banking laws.

Pawnbrokers

Pawnbrokers lend money on the pledge of goods. The amount lent may range from 50% to 90% of the value of the goods left with the pawnbroker. According to McKinney's Consolidated Laws of New York, they may charge up to 30% a year on loans under $100 and 18% a year on loans above $100.

Loan Sharks

Some persons lend money illegally. They are not licensed and the prices they charge are extremely high (as much as 100% interest). These lenders are called loan sharks. Sometimes persons cannot borrow money from the licensed agencies because their credit ratings are poor. They may need money so desperately that they go to a loan shark. Anyone who needs money and who cannot borrow it from a legal lending agency should consult an agency set up to help persons in need such as a family counseling service or the public welfare agency.

Cautions

Before signing any papers for a loan of money, the borrower should have answers to the following questions:

- How much cash will I receive from the loan?
- What is the amount of each payment?
- When is each payment due?
- How many payments must I make?
- What will happen if a monthly payment is late?
- How much does the loan cost?
- Is any property, such as furniture or an automobile, pledged as security for the loan?
- Are future wages pledged?

Suggested Lesson Plan

Aims

- To acquaint students with the lowest cost sources for credit
- To familiarize students with the various kinds of lending agencies
- To help students protect themselves against unscrupulous lenders

Motivation

Ask the students if they have had the experience of borrowing money. Did they realize how much interest they had to repay on the borrowed money? Where did they go to obtain the needed money? Why did they go there?

Development

Some questions the teacher may use to bring out this information may follow this guideline:

- Would someone like to tell us about his experience in borrowing money?
- What was it you purchased?
- Do you feel you really needed it even though you would go into debt in order to buy it? Why did you consider it a necessity?
- How much of a downpayment did you make?
- Where did you plan to get the rest of the money for the item?
- Where did you get this money? Did you try other places?
- Which place charged you the least interest for the amount of money you borrowed?
- Had you borrowed there before?
- How were you treated?
- If you had to borrow money again, would you go back to this place? Why? Why not?

These questions may also be asked to other class members who volunteer.

Teacher should explain the advantages of borrowing from a legally regulated institution rather than from a loan shark.

Here are some additional questions the teacher may wish to ask the class.

- What are the different sources for borrowing money? *(Banks, loan* *companies, credit unions, pawnbrokers, and loan sharks. Write these agencies on the chalkboard, pointing out that all but loan sharks are regulated by State or Federal law. The teacher may wish to state how much interest these places are allowed to charge.)*

- What is a good credit rating? *(Good credit rating is based on a record of paying bills on time. There are over 2,200 local credit rating bureaus throughout the United States. There are many international ones, too. They work together to make it almost impossible for a person to escape a poor credit rating if he deserves one. This rating follows a person wherever he goes.)*
- Why is a good credit rating important? *(Good credit rating helps a person borrow money when he needs it without paying a higher rate of interest.)*

Perhaps use of the flipchart *Shopping for Money* would be appropriate at this point. Particular pages of the flipchart to note include:

Page 5 (Paying cash is the best way of making purchases.)
Page 7 (Borrowing money costs money.)
Page 9 (Is the purchase really necessary?)
Page 11 (What are the different sources for borrowing money?)
Page 21 (Summarize problems to consider when "shopping for money.")

Discussion of this material and asking for personal experiences related to the subject of borrowing money at the best possible rate should enhance the lesson.

Summary

Distribute Worksheet A. Allow the students a moment or two to study the illustration. Then read the lead questions with them to begin the discussion. Develop the discussion further with such questions as:

- Why is paying your bills on time so important?
- Why is getting money from a loan shark so dangerous?
- What is so important about carefully reading a contract before one signs on the dotted line?
- What is the advantage of a large downpayment to you, the buyer?

Worksheet B is for those who are capable of using it, and may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard.
- Select a small committee to present their findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

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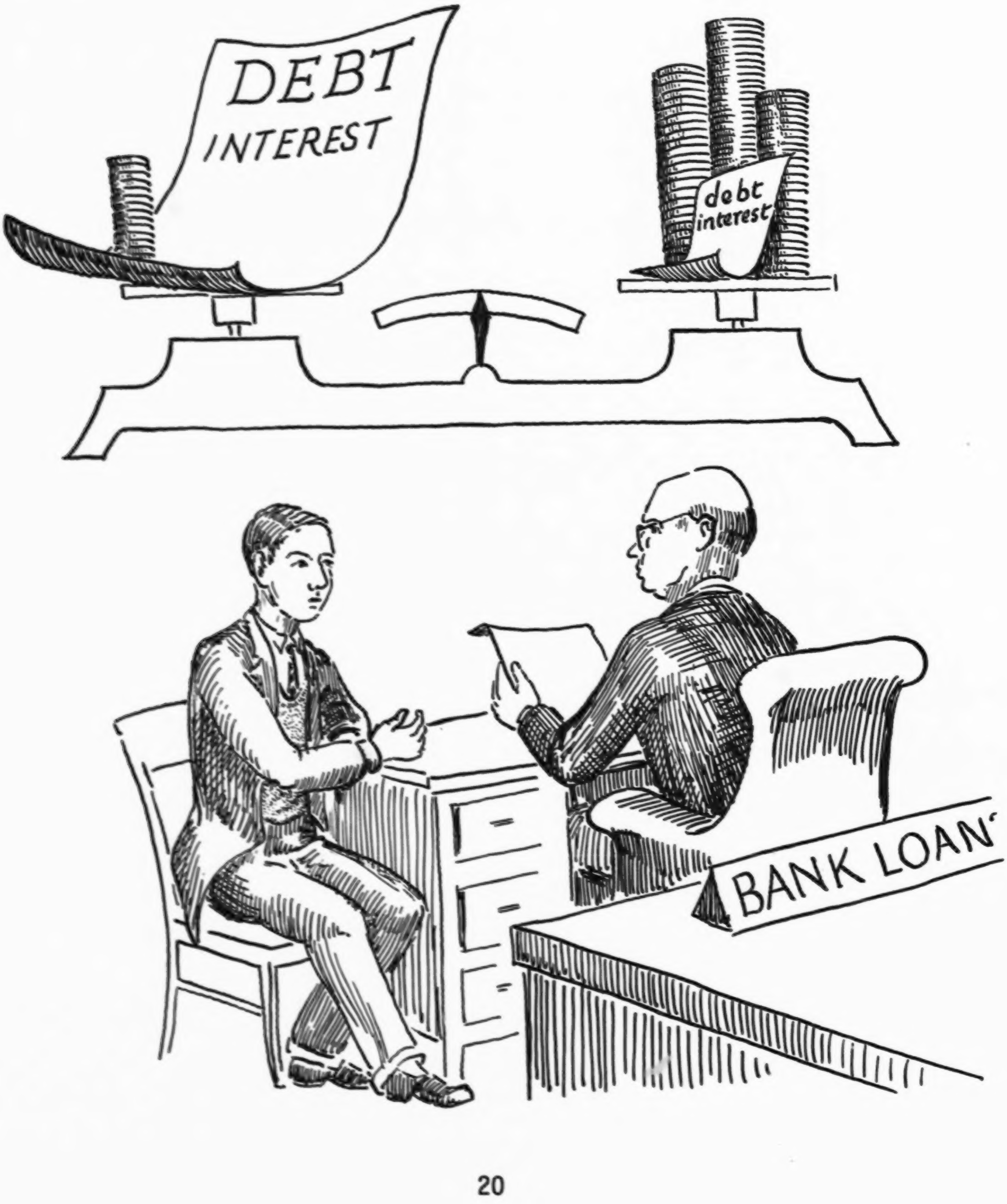
Student Worksheet A: *Shopping for Money*

HOW LARGE A DOWNPAYMENT?


DEBT
INTEREST
debt
interest
BANK LOAN

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Student Worksheet B: *Shopping for Money*

Instructions: Read each of the following and put a check in the box or boxes to indicate the correct choice or choices.

1. WHICH OF THE FOLLOWING IS NOT LICENSED BY LAW?

☐ Small loan company

☐ Credit union

☐ Pawnbroker

☐ Bank

☐ Loan shark

2. WHICH OF THE FOLLOWING ARE TRUE?

☐ Paying your bills on time can help you get a low interest loan.

☐ Being a credit risk can help you get a low interest loan.

☐ Saving money for a large downpayment lowers the amount of interest you will have to pay.

3. WHICH TWO OF THE FOLLOWING GIVE YOU LOANS AT THE LOWEST INTEREST?

☐ Bank

☐ Credit union

☐ Small loan company

☐ Loan shark

4. WHICH ONE MAY UNLAWFULLY CHARGE YOU UP TO 100% INTEREST?

☐ Loan shark

☐ Credit union

☐ Bank

5. WHICH SHOULD YOU DO?

☐ Read a contract before you sign it.

☐ Sign a contract before you read it.

☐ Have a friend assist you in reading and understanding a contract.

GETTING MORE FOR YOUR MONEY

Background Material for the Teacher

Most of the things we want and need cost money. Food to eat, a place to live, an education for our children--even good health--all cost money. We have limited incomes and we work hard to earn the money we have. We want to get as much as possible for our hard-earned dollars. If we buy goods that wear out quickly or if we pay too much for an item, we are wasting our money. The first step toward getting more for our money is to plan our purchases.

Let's suppose the family needs a new kitchen table. Begin by finding out all you can about kitchen tables. Check materials, construction, and prices. Ask questions. Check prices at different stores. What you are doing is called "comparison shopping."

If the table you want costs more than you are able to pay, wait for a sale. Many stores have clearance sales. You may be able to buy the table then for less money. If you buy it on time, make as large a downpayment as you can so you can have smaller monthly payments and smaller carrying charges.

When shopping in the supermarket, read the labels on the boxes and cans carefully. Check weight, price, and ingredients of competing brands. You may be able to save money by buying in quantity, buying the larger sizes, or buying certain brands.

In sum you can get more for your money by planning in advance for the goods you need and want to buy; shopping at several stores for goods and comparing the prices and qualities of the goods; reading labels carefully; taking advantage of buying opportunities such as clearance sales; and buying for cash when possible and making as large a downpayment as practical.

Suggested Lesson Plan

Aims

- To show students that they can improve their living standards through careful buying techniques
- To permit students to develop their own guidelines for stretching their dollars and avoiding sales traps

Motivation

Ask the class to consider the following thought, and then relate the story to the group:

> *Shopping takes time, but the smart shopper can get the most value for her dollars.*

Did This Ever Happen to You?

Mary walked into the supermarket and scanned the newspaper page hanging on the store's advertising wall. The paper listed sale items for the day. Cottage cheese was "2 for $.39." A good buy, she thought. "Cube steaks, $.99 a lb." Another good buy. Since the sale prices were so good she picked up a "Giant-sized" tube of toothpaste which cost $.60 and noted that the net weight was 4 ounces.

She wanted to compare prices with a "Family size" of the same toothpaste. The net weight of the family size was 7 ounces and it sold for $.90. After some elaborate calculations Mary discovered that the family-sized toothpaste was about 2 cents an ounce cheaper than the giant size.

It was often a time-consuming job, but Mary knew that she had to read labels carefully in order to get her money's worth.

Development

Discuss the thought the group was given before the story was told.

Have the class relate their own experiences along the lines of getting more for their money. The teacher might preface the discussion by making the point that some people buy the smaller, more inexpensive size of an item because they have limited funds. It should be stressed, however, that although the individual is putting out more dollars for the purchase of a larger size, it is a much more economical way of buying goods, especially if these goods are used often. Ask for volunteers but try to have all members respond.

- What were your reactions when you bought goods but then saw them cheaper at another store on the way home? And how did you feel when you saw the same item more expensive at another store?
- What will you have learned from the experience?

- What is wrong with buying too many spoilable goods like fresh vegetables, fruits, and cheese because they were cheap?

- When is buying the smaller canned good cheaper than the larger can?

These are just a few of the questions the teacher might ask the class in order to bring out the aim of the lesson, enabling the students to get the best buy for their money.

What suggestions to other consumers can the students now give? List the class responses on the chalkboard. The teacher ought to guide the class to the following responses:

- Look for the best possible buy even though it may mean getting the king-sized item.

- Don't feel embarrassed to inquire about the materials and cost of items when comparison shopping.

- Try to wait for clearance sales or end-of-season sales before purchasing furniture or clothing items.

- Take your time while shopping; read labels; look at competitive brands.

Summary

Distribute Worksheet A. Allow the students a moment to scan the illustration and then ask questions like the following:

- Why should you check many stores before buying a table or refrigerator?

- How does reading a label save you money?

- Why is it usually cheaper to buy the larger size of an item than the smaller size?

- When are sales not bargains?

Worksheet B is for those who are capable of using it.

The worksheets may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.

- Use the questions to formulate a summary on the chalkboard.

- Select a small committee to organize and present its findings to the class.

- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

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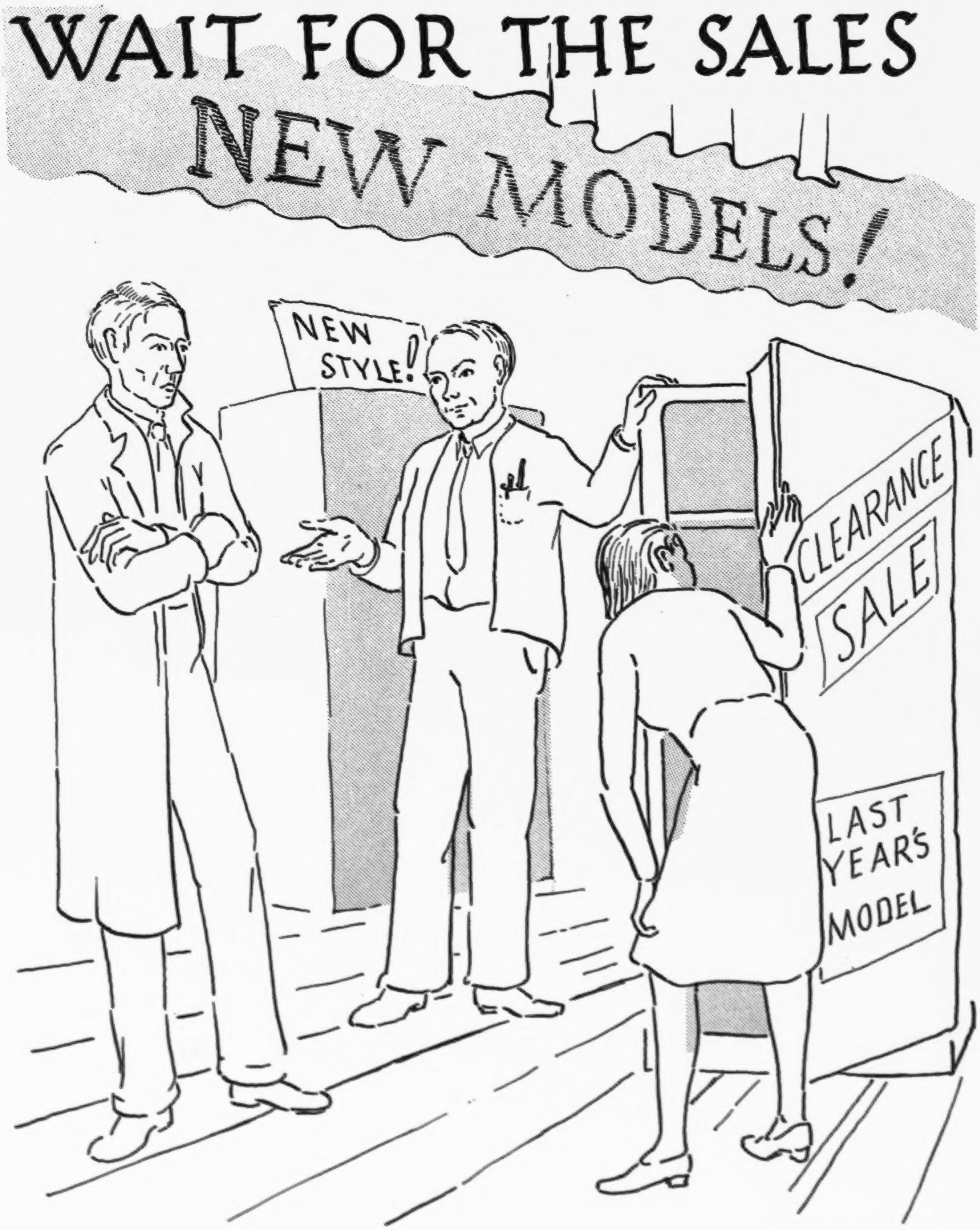
Student Worksheet A: *Getting More for Your Money*


WAIT FOR THE SALES
NEW MODELS!
NEW STYLE!
CLEARANCE SALE
LAST YEAR'S MODEL

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Student Worksheet B: *Getting More for Your Money*

Instructions: Read each of the following and put a check in the box to indicate the correct choice.

1. YOU CAN GET MORE FOR YOUR MONEY BY:

☐ Reading the labels on boxes and cans carefully

☐ Not wasting time reading the labels on boxes and cans

2. FOR THE BEST BUY:

☐ Shop only at one store

☐ Check prices of the same item at different stores

3. TO GET MORE FOR YOUR MONEY:

☐ Plan in advance for the things you need

☐ Buy when you see a "bargain"

4. TO GET MORE FOR YOUR MONEY:

☐ Buy the Family Size

☐ Check the net weight

5. TO KNOW MORE ABOUT THE VALUE OF THE ITEM YOU WISH TO BUY:

☐ Ask the salesman

☐ Buy the cheaper item

BANKING SERVICES

Background Material for the Teacher

Banks offer many financial services to the family. The kind of financial service depends upon whether you deal with a commercial bank or a savings bank.

Here are some of the services the two types of banks offer:

- Commercial banks provide checking account service, a convenient way of paying bills. The canceled checks give you a legal record of your payments.
- Both commercial banks and savings banks offer regular savings account services. Both pay interest on these savings accounts and some banks pay interest on Christmas club and other special savings accounts.
- Generally it is better to open a regular savings account than a Christmas club or vacation club account because interest is always paid on the regular account.
- Commercial banks lend money to people for buying a new car, for paying a personal debt such as a medical bill or taxes, and for buying a house. A person must have a steady job and a good record of paying bills in order to borrow money from a bank. Businessmen can also borrow money from commercial banks to pay their employees, to buy goods to sell, or to buy equipment.
- Savings banks also lend money to buy houses and, as in commercial banks, the houses are used as security for the loan. These banks also make personal loans, but only to persons who have a savings account with them.
- Commercial and savings banks sell money orders, including money orders to send out of the country.
- Commercial and savings banks sell government bonds.
- Both banks sell travelers checks.
- Some savings banks sell life insurance.

Suggested Lesson Plan

Aims

- To familiarize students with banks and their services
- To develop the habit of saving money

Motivation

Read the story to the group. Ask them to remember the following problems and discuss these with them after reading the story.

- How can we send money to someone without using a money order and without sending cash?
- Must you have a bank account in order to get a bank money order?

Money Orders

John came to New York and found a job. He saved enough money to send for his family and he went to the post office to get a money order for $250.

"I'd like a money order for $250," said John to the clerk.

"We don't have $250 money orders," replied the clerk. "I'll have to give you three money orders. It'll cost you $1.15."

John paid the $1.15, unaware that there were cheaper ways to send the money.

Later that day he told his friend Fred about bringing his family to New York, and the money orders he had bought at the post office.

"Why didn't you go to a bank and get a money order?" Fred asked. "At my bank you can get a $250 money order for 25¢."

John answered with a laugh, "Banks! I don't have a bank account. I've never had one because they're not safe. Banks are always being robbed. I have a safe spot in my house," he added.

Fred told John that he didn't have to worry about his bank being robbed because the government through the Federal Deposit Insurance Corporation (FDIC) insured each person's account in a bank up to $15,000. He also told him that he didn't need a bank account to buy a bank money order. And he continued, "You're crazy saving money in your house. Put it in a bank and you can establish your credit. It will be easier for you to get a loan if you ever need it. If you save money regularly in a savings bank, you'll have interest added to your money just for leaving it there. And, if you had your money in a commercial bank, you could write a check and mail it to whomever you wished. A canceled check is just like a receipt, too."

Development

After discussing the story from the standpoint of the questions posed before the story was read, follow through with questions that focus on the services that banks perform:

- What are banks for? *(To provide sources for depositors to draw upon when they need funds, for people who need to borrow money; to have a safe place for their money)*
- What is the main difference between a savings bank and a commercial bank? *(A commercial bank is used by depositors for a source of funds from which to draw upon by using checks; a savings bank is used to earn interest on this money.)*
- What do savings banks do for us? *(see below)*
- What kinds of services do commercial banks provide? *(List on chalkboard as shown below.)*

Savings Bank

College loans
Home improvement loans
Home mortgages
Low cost life insurance
Money orders
Savings account
- Christmas club
- school savings
- vacation club
U.S. Savings Bonds

Commercial Bank

Checking account
Home mortgages
Loans
- auto
- business
- college
- home improvement
- personal
Money orders
Safe deposit boxes
Savings account

- What are several reasons why people should save money? *(When you see something expensive you feel you must have, you'll have the money to buy it. If you are not able to work there would be money you could use to live on. You can earn money as interest on the money you have saved.)*
- What are the advantages of doing business with banks? *(Bank rates for loans are usually much lower than those of small loan companies. A check is cheaper than a postal money order and more convenient. Your canceled check serves as proof of payment. A good credit rating at a bank will make it much easier for you to open a charge account in many stores. Most banks are conveniently located. Checking and savings accounts can be opened easily. Bank depositors are well protected by Federal and state regulations. Savings are insured up to $15,000.)*

Suggestion: Use of a resource individual in banking would be appropriate for a followup lesson to serve as reinforcement and review of material covered. He may also add firsthand information based on experiences of people who were in need of money.

Summary

Distribute copies of Worksheet A. Allow the students a few minutes to scan the illustration and then ask questions like the following to begin the discussion:

- What are some services that are provided by a savings bank?
- Why is putting money in a savings bank *every* payday a good habit?
- Why is paying your bills by check a good habit?

These are just three suggested questions the teacher may ask in order to accomplish the function of the worksheet.

Worksheet B is for those who are capable of using it, and may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard.
- Select a small committee to present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

NEW YORK STATE EDUCATION DEPARTMENT
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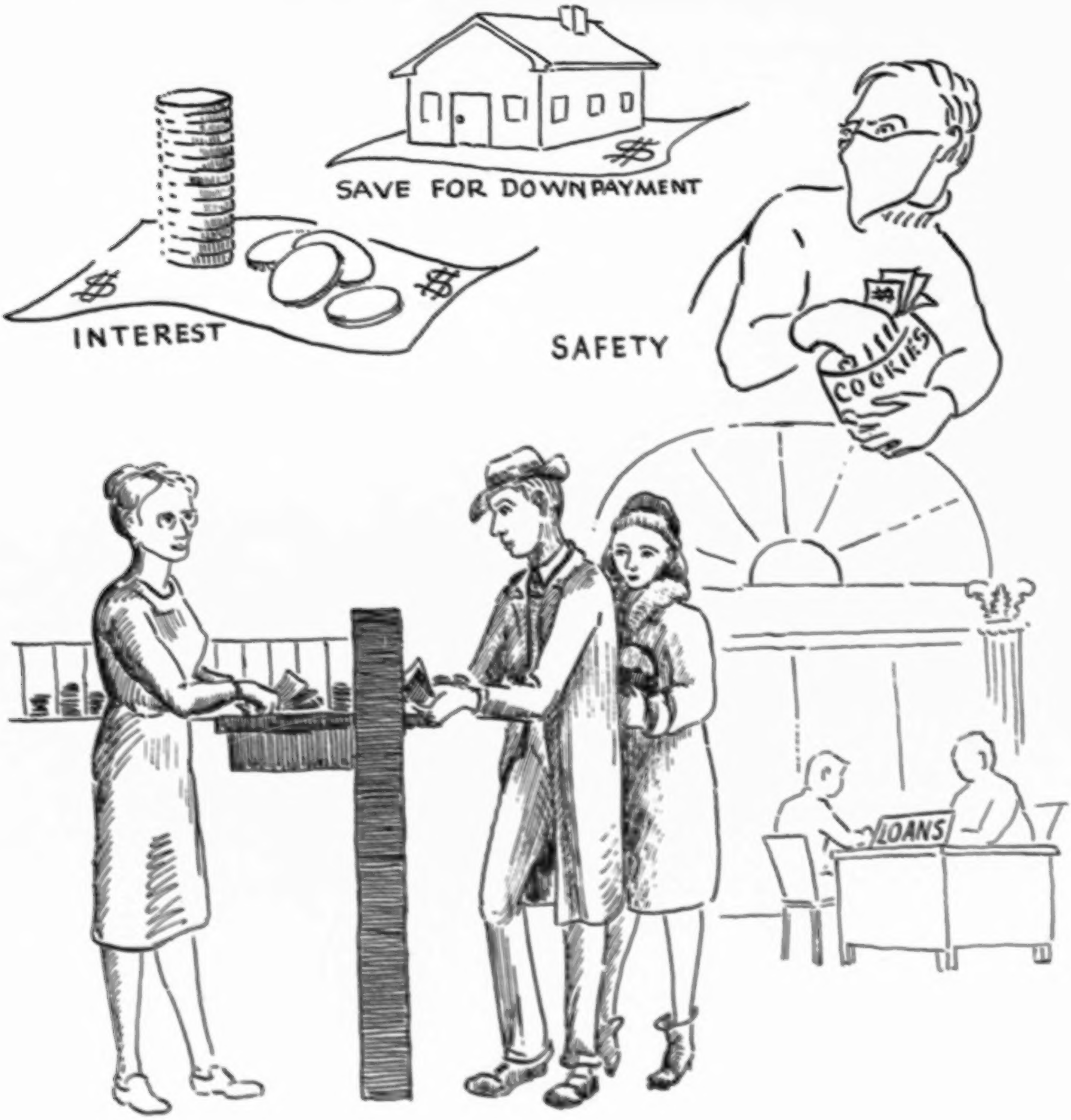
Student Worksheet A: *Banking Services*

PUT YOUR MONEY INTO A BANK


SAVE FOR DOWNPAYMENT
INTEREST
SAFETY
COOKIES
LOANS

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Student Worksheet B: *Banking Services*

Instructions: Read the following and put a check in the box to indicate the correct choice.

1. [A] CHECK [B] MONEY ORDER

☐ A is cheaper than B.

☐ B is cheaper than A.

2. [A] CHECKING ACCOUNT [B] REGULAR SAVINGS ACCOUNT

☐ A pays interest.

☐ B pays interest.

3. [A] SAVINGS BANKS [B] COMMERCIAL BANKS

☐ A loans mortgage money to buy a house.

☐ B loans mortgage money to buy a house.

4. [A] SAVINGS BANKS [B] COMMERCIAL BANKS

☐ A offers checking accounts.

☐ B offers checking accounts.

5. [A] SAVINGS BANKS [B] COMMERCIAL BANKS

☐ A sells life insurance.

☐ B sells life insurance.

FRAUDULENT SELLING

Background Material for the Teacher

The word fraud suggests deception, trickery. Fraudulent selling means gypping the buyer deliberately. Most persons who are in business are honest and they sell their goods at fair prices, but there are some who try to make money by selling worthless goods at high prices. Buyers should learn how to tell the difference. Fraud can mean defective goods or no goods at all. The buyer may not be told the truth about the installment contract he has signed.

Here are some examples of fraudulent and deceptive selling practices:

Going-Out-of-Business Sale: Some stores advertise that they are going out of business when they have really bought cheap goods to unload on the public.

Fire Sale: A fire sale may not be real, either. The seller may be using the term "fire sale" to gain customers. If the item for sale has really been in a fire, the buyer should inspect it carefully for excessive smoke or water damage.

Contests: Some sellers use the contest plan to sell goods. A person is told by mail or telephone that he has won something. In order to get the prize, though, he must buy something else. One woman received a $50 certificate letting her buy a sewing machine for $150. The same sewing machine was available at other stores for $150 without the certificate.

Bait-and-Switch Sale: A low-priced item is offered for sale but the seller has no intention of selling it. The low price is the bait. The switch is made when the customer takes the bait by showing an interest. The customer is then told that the low-priced item is defective or that it's no longer in stock. The salesman shows the customer a much more expensive line and he makes a convincing sales pitch. Bait-and-switch methods are sometimes used to sell sewing machines, vacuum cleaners, and wall-to-wall carpeting.

Door-to-Door Salesmen: The goods sold by many door-to-door salesmen can often be bought more cheaply in local stores. Religious goods, vacuum cleaners, cookware, plastic dishes, and other goods are sometimes sold in this manner. These goods are often sold on the installment plan with high finance charges.

Home Repair Frauds: The salesman convinces the homeowner that his house needs aluminum siding or a new roof. The price quoted is quite low, and the homeowner is told that he can pay for it on the installment plan. After the contract is signed and the materials are delivered, the homeowner may find that the agreed-upon price does not include labor costs or that the materials are of inferior quality from the ones promised by the salesman.

Referral Selling: A housewife is told that she can obtain an expensive vacuum cleaner free by giving the salesman the names of persons who might be interested in purchasing the same item. For each sale made to persons on this list the salesman agrees to pay the housewife a certain commission for the referral. But, before this happens, the housewife signs an installment contract to buy the cleaner. This contract is then sold or assigned to a bank or sales finance company. The salesman never returns and the housewife must make the required payments on the contract price of the appliance. Of course, she gets no commissions.

Suggested Lesson Plan

Aims

- To develop an awareness of some fraudulent and deceptive selling practices
- To acquaint the class with the State publication "The 10 Point Buying Guide for Consumers"

Motivation

Read the case study to the group, asking them to think about the following problem:

- What mistake did Mrs. Jones make?

Did This Ever Happen to You?

Mrs. Dorothy Jones was preparing dinner for herself and her two children after a busy day at the department store where she worked. She was startled by a loud knocking at her door.

"Who is it?" she called out.

"Mr. Smith of the Lodestone Silver Company. May I see you for a few minutes?"

Mrs. Jones opened the door slightly and asked Mr. Smith what he wanted.

Smiling broadly, he said, "I'll make it short because I know it's near dinnertime but I'm sure you'll like what I have. Besides being beautiful, you can't get these at this bargain price anywhere."

He took some sample tableware out of a carrying case and showed it to her.

"That's pretty," said Mrs. Jones, removing the chain from the door and letting the man in. She touched each piece of tableware. "It's very nice. What does it cost?" she cautiously asked.

"Sixty-five dollars," smiled Mr. Smith. "Only sixty-five dollars, and that's a complete setting for eight people. I'll tell you what; I'll have a set delivered to you. Take a few days to decide whether or not you want to keep it. If you decide to keep it, you can pay us a few dollars a week. If you don't want it, send it back to us."

"All right, that sounds fair," she said.

"Will you sign this paper here at the bottom. It gives my company permission to send the tableware to you. I'll fill in your address, apartment number, and these other spaces."

"Here?" asked Mrs. Jones.

"Yes."

She signs the paper.

"Thank you, Mrs. Jones. Good night."

A few days later Mrs. Jones received her tableware. After inspecting each piece, she knew that this was not the quality ware she had been shown by the salesman. She decided to send it back but the only address was that of a finance company. She wrote and asked where she could return the tableware.

She received a letter from the finance company informing her that it has an installment contract signed by her for $65 at a monthly interest of 1 1/2% on the unpaid balance.

Mrs. Jones wrote back, saying that she did not want the tableware and that she would not pay for it.

She heard nothing more from the company directly. But a month later she was served with a summons. The finance company was bringing suit to collect the money Mrs. Jones owed.

Mrs. Jones remembered hearing about the Legal Aid Society, an organization of lawyers that helps people who need a lawyer but who can't afford one. With the aid of one of these lawyers, she was able to settle for $75. This wasn't too bad. Often the victims of fraudulent selling have to pay up to twice the original price because the finance company can also collect costs incurred while recovering its money legally.

Development

After discussing the problem posed at the beginning of the case study, ask the group the following questions:

- What rule did Mrs. Jones break when she signed the contract?
- Why did she finally settle with the finance company for $75?
- What is the Legal Aid Society?

List the following broad categories of sales on the chalkboard and ask the class for volunteers to relate costly experiences that fit any of them.

Going Out of Business Sale
Door-to-Door Salesman
Bait and Switch Sale
Fire Sale
Home Repair
Referral Selling
Content

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THE 10 POINT BUYING GUIDE FOR CONSUMERS

Use the following points in discussing the answers to the worksheets:

1. Don't be misled by the dealer who lures you to his establishment with an attractive advertisement of a standard brand item and then tries to talk you into a higher priced off-brand article.
2. Don't be blinded by "bargains."
3. Don't be rushed into buying anything by talk of a "golden opportunity."
4. Don't allow door-to-door salesmen to leave merchandise with you on an "approval receipt."
5. Don't permit a household appliance or television or radio set to be taken from your home for repairs without first receiving in writing an estimate of the probable repair cost and a receipt for the article taken.
6. Don't use the article delivered to you if you find that it is not the same as you ordered. Notify the seller immediately.
7. Don't accept an oral guarantee.
8. Don't sign a contract without reading it carefully.
9. Don't make financial commitments which you cannot possibly meet.
10. Don't hesitate to investigate before buying.

AGENCIES THAT HELP PROTECT CONSUMERS

Local	State	National
Better Business Bureau	Attorney General's Office (Consumer Fraud Bureau)	Post Office Department
Chamber of Commerce		Department of Health, Education and Welfare
District Attorney	New York State Banking Department	
Retail Stores Associations	New York State Insurance Department	Federal Trade Commission
Weights and Measures Agencies	New York State Department of Agriculture and Markets	Office of Economic Opportunity
Antipoverty Community Action Program	Public Service Commission	National Better Business Bureau

Now guide the discussion along these lines:

- What approach did the seller use?
- What was there about the item that interested you?
- What were some of the claims made by the seller?
- Why didn't you check this so-called bargain with other places?
- When did you realize you didn't get what you thought you were going to get?

Summary

After listening to and analyzing their experiences, distribute the previously duplicated paper headed The 10 Point Buying Guide for Consumers taken from Your A B C's of Careful Buying, a guide for consumers printed and distributed by the New York State Department of Law. Read and discuss it with the class.

Distribute Worksheet A. Allow the students a moment to scan the illustration and then ask questions like the following to begin a discussion:

- Where can a person who doesn't have much money obtain a lawyer?
- Since the salesman knows his goods, should you buy whatever he suggests?
- Are fire sale goods always a good buy?

Worksheet B is for those who are capable of using it, and may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard or overhead projector.
- Select a small committee to present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

Discuss the answers to both worksheets with the entire class to help summarize the lesson. Use may be made of the 10 Point Buying Guide for Consumers in discussing the answers to the worksheets.

Be sure to draw the attention of the class to the agencies listed at the bottom of the guide that are established for the protection of the consumer.

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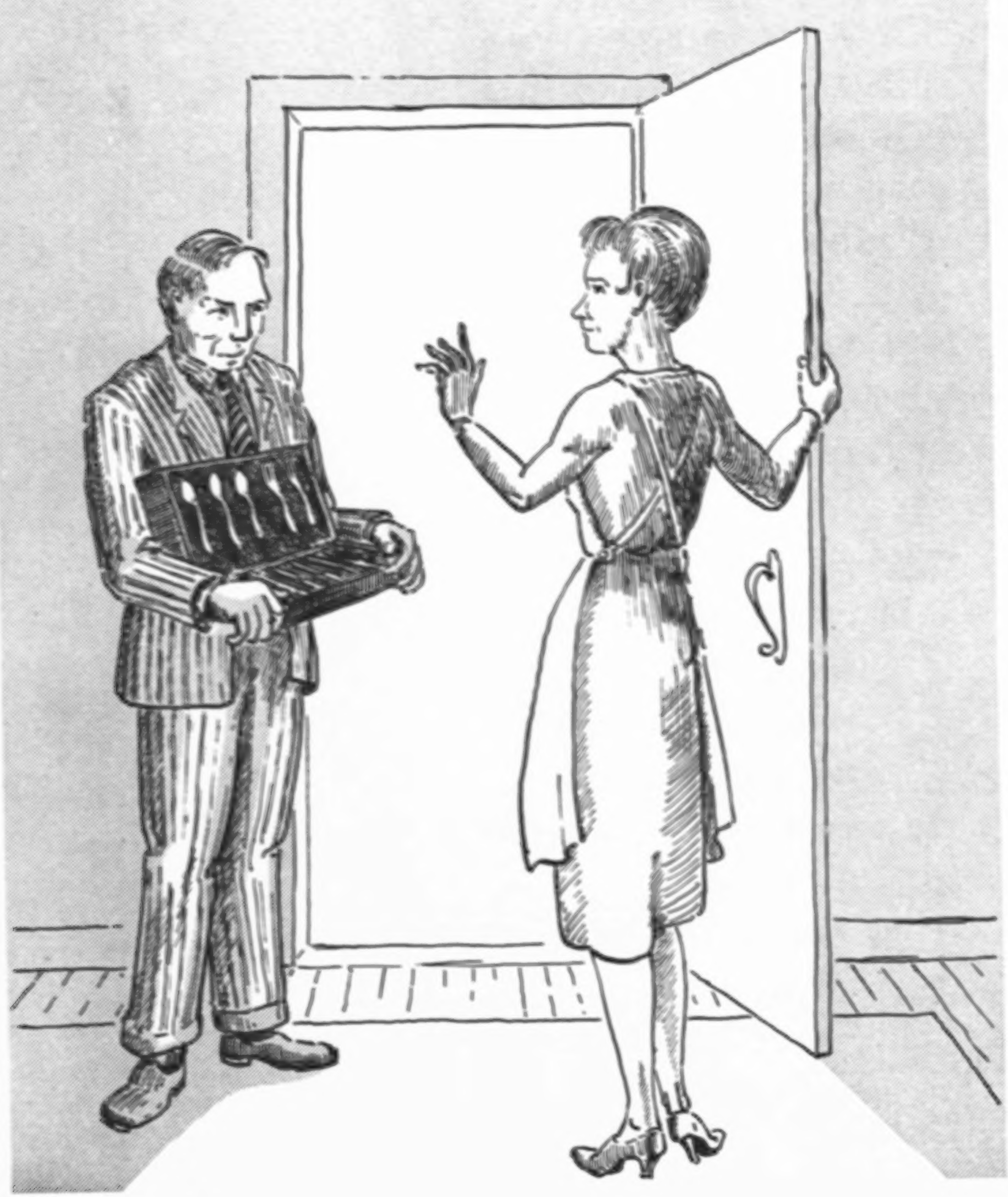
Student Worksheet A: *Fraudulent Selling*

IS HE TELLING THE TRUTH?



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Student Worksheet B: *Fraudulent (Dishonest) Selling*

Instructions: Read the following and put a check in the box to indicate the correct choice.

1. THE LOW PRICE IS THE DECOY AT A:

☐ Bait-and-Switch Sale

☐ Fire Sale

☐ Going-Out-of-Business Sale

2. THESE AGENCIES HELP THE CONSUMERS: (Check 2)

☐ Department of Parks

☐ Attorney General's Office

☐ Public Service Commission

3. CLOTHES MAY HAVE WATER DAMAGE AT A:

☐ Going-Out-of-Business Sale

☐ Fire Sale

☐ Bait-and-Switch Sale

4. A FRAUDULENT, DISHONEST SELLING PRACTICE:

☐ Referral Selling

☐ Seasonal Clearance Sale

☐ Fire Sale

5. SELLING POOR GOODS AT HIGH PRICES IS:

☐ Good business

☐ Fraudulent (dishonest) selling

☐ Referral selling

SHOPPING FOR CLOTHING

Background Material for the Teacher

Clothing is one of the necessities of life. A bargain dress that splits at the seams, however, is a waste. Similarly, a coat that doesn't wear well is a waste. We can't afford to be carefree about the clothes we buy. There are some ways to make the best use of the money we set aside for clothing the family.

The first way is to plan ahead for each family member. Decide what can still be worn and what must be thrown out or given away. Then, you can set up a priority system. Urgent needs come first; less urgent needs come later when money is again available.

The second way is to take advantage of sales. It is a wise idea to plan your clothes buying for times of the year when you know sales take place. When a store advertises something on your "urgent" list, go and see it. But, before making a selection, check to see that it really is a bargain. You can do that by checking at other stores. Compare quality and prices. Remember, that for long wear, the best quality within your clothing budget is what you need.

The third way is to be a careful comparison shopper. This means that you will always check these three points:

- The material

  Many fibers are used in making clothing, and each one has certain characteristics distinguishing it from the others, including certain advantages and disadvantages. Sometimes different fibers are blended to obtain the advantages of each, but this does not guarantee a perfect material. Wool and mohair, both expensive materials, are combined to make material for men's suits. Wool is long wearing, and mohair (made from the hair of an angora goat) has a fine luster The suit looks good and will wear quite well.

  Silk, another natural fiber, is used primarily for men's accessories (ties, socks and shirts) and women's dresses. Like wool it is more expensive than cotton or nylon, but it has an agreeable luster and wears well. Some supposedly inexpensive silk garments are quite fragile.

  The most common natural fiber is cotton. It is generally cheaper than other materials; however, it does not wear as well as wool and it shrinks when washed unless it has been sanforized--a process that limits shrinkage. (Hot water will also shrink wool, which is why only some woolen articles may be washed in cool water; others must be drycleaned.)

The man-made fibers of nylon, dacron, and others are often blended with the natural fibers. The law requires that clothing labels tell what the clothing is made of and if it is a combination, how much of each fabric it contains. The shopper should read the label carefully so that he knows what material he is buying; for example, one of two suits selling for the same price may be made of poorer material or show poorer workmanship.

- The workmanship

Look at the way the clothing is made. Turn the dress, jacket, or coat on the "wrong" side. Look at the seams. They should be wide enough not to split. They should be stitched with small, even stitches. Hold the garment up to the light to see if the threads are close together. Look out for any thin spots in the material. Look at the hem of a dress. It should be deep enough to let down if necessary. The stitches should not show on the right side. Look at the buttons and buttonholes. Buttons should be sewn on firmly. Buttonholes should have small, even stitches on both sides. Well-made plain clothes give better value for the money than fancy trimmings. Clothes made in simple styles will stay in fashion longer than those made in extreme styles.

- The care of the garment

Look for any labels that tell you if the material should be hand-washed, machine-washed, or drycleaned.

Suggested Lesson Plan

Aims

- To present guidelines in buying clothing
- To discuss the following specific points:
    - Planning for clothing purchases
    - Shopping carefully
    - Getting the best quality for the cheapest price

Motivation

Ask the students to discuss the following question and then read the case study.

- Why is it best to plan before you shop for clothing?

Did This Ever Happen to You?

The sign in the store window read: "Sale. 20 to 50% off on Men's and Women's Clothing."

Mary and John were heading home from work. It was the fall season, late in October, but almost as hot as midsummer. They glanced at the sale sign. It was Friday, payday for both of them.

"Let's go in," said Mary, "Your mother won't mind taking care of Billy for a few extra minutes."

John began looking for a winter suit and Mary went off in the direction of the dresses. Neither one liked to ask the other's opinion about clothes because they could never agree. They decided that if one listened to the other, they would end up buying nothing. So, whenever they went into a store, it was understood there would be no interference.

John couldn't find a winter suit on sale but he saw several summer suits that he liked. Since they too were on sale, he decided to buy one, figuring that he could get much use from it if the hot weather continued.

Mary returned with an elegant party dress. It bubbled like a glass of champagne. The sale price was 50% off the regular price, just like John's suit. And, just like John's suit, it was suitable for summer.

"Do you want to try the dress on?" asked the saleswoman.

"How much time do we have, John?"

John was busy talking to a salesman about alterations on his suit. Alterations were not included during the sale and John was wrestling with his conscience because the price of the suit suddenly jumped a couple of dollars.

"Couldn't you fix these pants for me, Mary? Cuff them and take in the waist about an inch? The jacket fits very well."

"I suppose I could," said Mary. Do we have time for me to try on this dress?"

John started concentrating on the dress for the first time and said, "Where are you going to wear that?"

"It's a party dress," Mary replied. "I'm going to wear it to a party. Where do you think I'm going to wear it?"

"No, we don't have time," he retorted. "My mother will get burned up about having to take care of Billy for so long."

The couple lived with John's parents and when they arrived home they began having doubts about what they had bought. Mary tried on the dress and it was too big, although it was a size 14 which was supposed to fit. John didn't bother trying on his suit. The forecast was for cold weather. This was sobering news. It reminded him how important it was to get a winter suit. So they decided, together this time, to take the clothes back. The decision was a sensible one, of course, but it came too late. They would find out that all sales were final.

Development

The teacher could ask the class for the meaning of the story; in other words, what is the person telling the story trying to tell you, the listener?

Ask the class for their opinions. Try to guide them to the following suggestions. You may wish to ask them for similar experiences. This would be invaluable since they would then be able to identify with the theme of the lesson.

There are several themes in the preceding story. One of them is that a consumer should be able to project himself into the future to be sure that what he buys today will be usable regardless of how much money he has to spend. If he has a limited amount of money, he obviously can't afford to buy a summer suit when he needs a winter suit. The temperature, the emotions, and the paycheck should not be the decisive factors. It's like shopping in a supermarket when you are hungry and buying more food than you can afford. How the purchase fits into the total picture is a much better approach.

A second theme is that the couple felt rushed. Perhaps they bought everything this way. If they did, it's a surefire method to end up sick at heart about squandering money on items that are either useless or second-rate.

A third theme is wasted time. Consider the time Mary would have had to spend on the alterations because they shopped at a store that suspended alterations during a sale. They are going to return to the store to try to exchange the clothes. That's wasted time, too, and they'll probably have an argument at the store.

Discuss these matters with the class and then ask the following specific questions based on the story which will help to reinforce the idea that shopping for clothing requires cool headwork more than fast legwork:

- Why might John have been angry when he said there was no time for Mary to try on the dress?
- What are some ways to hold back the urge of spending money on paydays because it's "burning a hole in your pocket"?
- Are there any other reasons why the size 14 did not fit Mary?

How can a couple go about helping one another decide on what to buy so that they can make sensible purchases?

(The concept in this next question may be too difficult for some classes to grasp. Use your discretion regarding your group.)

Is there a connection between buying unnecessary clothing and the following?

A need for something to do?

Relief of tension at home or on the job?

The idea that "clothes make the man"?

Spending money on oneself now instead of planning for the future?

After you have discussed the story, try to establish general patterns to follow for successful purchases of clothing:

How can you prevent what happened to Mary and John from happening to you? Ask the class for suggestions. Guide them to the following responses:

Plan for clothing needs: families need work, dress, and play clothes.

Set up priorities: Susie needs a new winter coat now; Daddy will soon need work clothes.

Develop sales resistance: Don't buy clothes you don't need just because they are on sale or the salesman "sweet-talks" you into buying something.

How can you be sure that you are getting the best for your money?

Shop in more than one store; compare prices; look for quality of material and workmanship.

Summary

Distribute Worksheet A. Allow the students a moment to scan the illustration and then ask questions like the following:

- What is comparison shopping? Is it only good for clothing purchases?
- What should clothing labels be checked for?
- Why are hems on dresses or cuffs on pants important?
- Why is it sometimes better to buy the wife a new dress when you could use a new pair of workpants?

Worksheet B is for those who are capable of using it, and it may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard.
- Select a small committee to organize and present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

NEW YORK STATE EDUCATION DEPARTMENT
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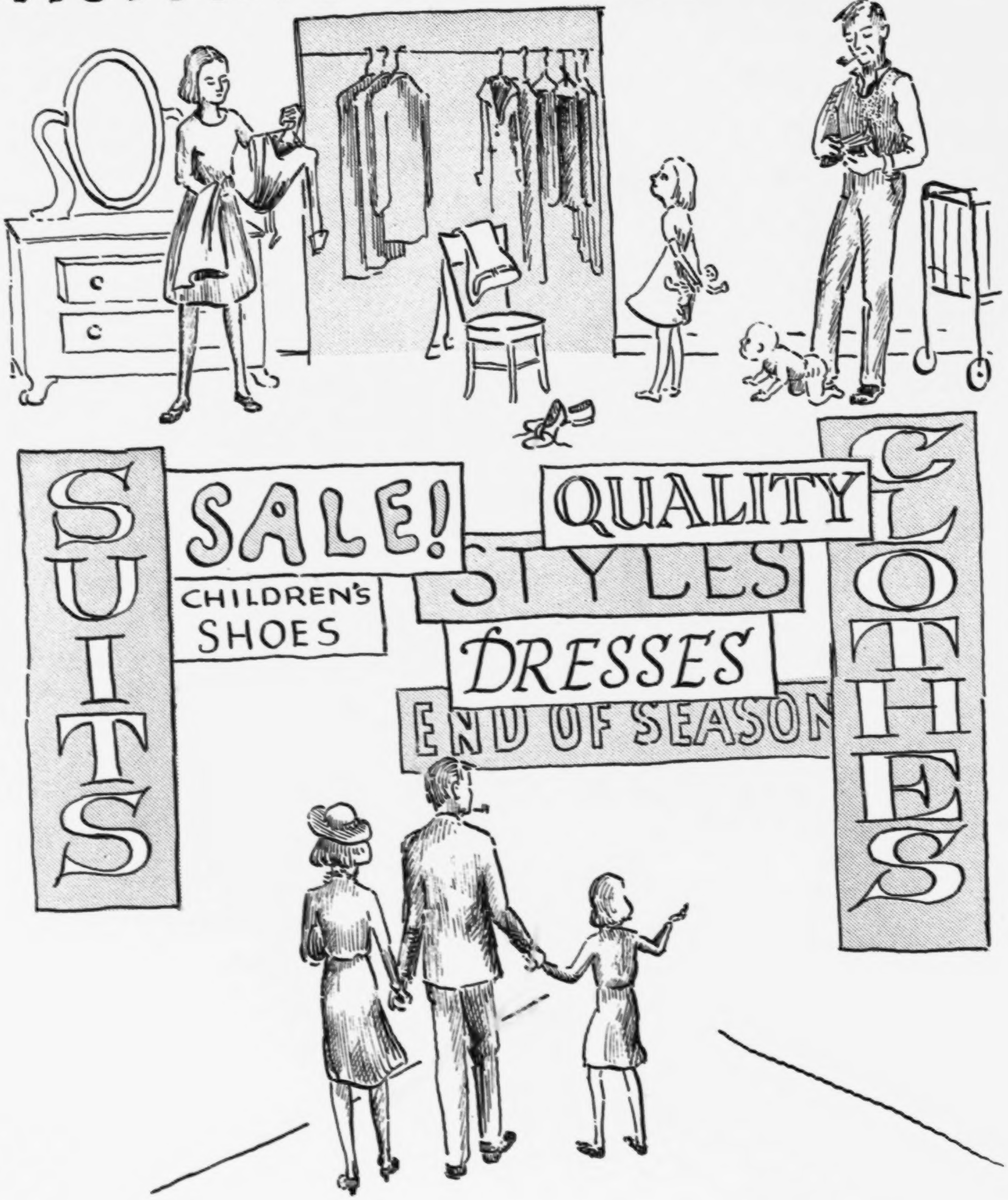
Student Worksheet A: *Shopping for Clothing*

SHOPPING FOR CLOTHING


SUITS
SALE!
QUALITY
CLOTHES
CHILDREN'S SHOES
STYLES
DRESSES
END OF SEASON

NEW YORK STATE EDUCATION DEPARTMENT
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Student Worksheet B: *Shopping for Clothing*

Instructions: Read each of the following and put a check in the box to indicate the correct choice. In this worksheet the student ought to be prepared to answer "why" for questions 1 and 2.

1. IN MAKING A CLOTHING PRIORITY LIST FOR YOUR FAMILY, WHAT ARE THE FIRST TWO THINGS YOU WOULD PUT DOWN?

☐ Dress suit for husband

☐ Party dress for daughter

☐ Workclothes for family wage earner

2. OF THE FOUR STATEMENTS BELOW WHAT THREE MOST IMPORTANT POINTS SHOULD YOU CONSIDER BEFORE BUYING CLOTHING?

☐ The material used

☐ The workmanship

☐ The similarity to Hollywood styles

☐ The way the garment is to be cared for

3. WHAT SHOULD YOU LOOK FOR ON THE CLOTHING LABEL? CHECK TWO ANSWERS.

☐ The style of clothing

☐ The material the clothing is made of

☐ The care of the clothing

4. HOW CAN YOU TELL IF A SALE IS REALLY A BARGAIN? CHECK ONE ANSWER.

☐ Ask the salesman who is showing you the garment.

☐ Check the price of the clothing in other stores.

5. WHY SHOULD YOU TAKE YOUR TIME WHEN TRYING ON A SUIT OR DRESS? CHECK TWO ANSWERS.

☐ To make sure it fits properly

☐ To bargain with the salesman

☐ To compare quality and price from others tried on

SHOPPING FOR FOOD

Background Material for the Teacher

Families spend from 25 to 40% of their income on food, and most families get adequate nutrition for the money spent. Many families want to find out how they can buy food for less money and still get adequate nutrition. Here, then, are some guidelines for careful shopping:

Shopping for food should begin at home. A well-balanced diet of fruits, vegetables, meat, and dairy products must be maintained and shopping lists should be based on these nutritional needs. Adequate nutrition can be obtained by eating a variety of foods. Try to eat as many different foods as possible.

Food prices and food quality should be compared in different stores. A study of the advertisements of food stores in the newspapers can help you find where prices are best.

Buy foods by the calendar. Families can save a good deal of money by buying fruits and vegetables in season. In off season, canned foods may be a better buy. In December fresh tomatoes may cost 40 cents a pound; thus, canned tomatoes would be a better buy at that time.

Buy the cheaper cuts of meat. All meat is nutritious. The cheaper cuts may take more time to cook than the expensive cuts, but they can be made to taste just as good.

Compare the labels of a canned variety and frozen variety of the same food to determine the better buy. Note the net weight and the ingredients. In canned foods, the ingredients are listed in descending order (the most of what the can contains to the least).

Don't buy air, water, or built-in maid service with food. Some breakfast cereals and some breads contain large amounts of air. There was a time when processed meats such as bologna and hot dogs contained a good deal of water; legislation, industrial self-policing, and effective inspection by government agencies have practically stamped out this practice. Air and water are cheap in their natural form but they are expensive when purchased in food. Buying ready-prepared foods is equivalent to employing a full-time maid. Cereals coated with sugar cost much more than plain cereals. Families can put their own sugar on the cereal when they eat it. Four servings of frozen baked potatoes with cheese cost about 76 cents. Four servings of potatoes baked by the housewife and topped with cheese cost about 10 cents.

Don't waste food. The average family throws away two or three pounds of food a week. If you shop for food while you are hungry, you may buy too much. If you buy something on impulse, it may be wasted. Careful shopping cuts food waste.

Suggested Lesson Plan

Aims

- To show the importance of planning in shopping for food

- To emphasize that planning:

  Avoids food waste
  Puts good nutrition in the grocery cart
  Helps you buy for less

- To better acquaint the class with certain food symbols (oz., lb., avoir.) found on canned goods

Motivation

Begin the lesson by discussing the high cost of food, the cause of food waste in the home, the ways you can help yourself get the most nutritious food for the least money. Citing of personal experiences is an excellent motivating device. Some suggested introductory questions might include:

- When does one waste food? Who tends to waste food? Why?

- What do you notice about food prices lately? Why do they continue to rise?

- Why is it not necessary to buy the most expensive cuts of meat in order to get good nutrition?

Read the following account to the class.

Did This Ever Happen to You?

It was spring cleaning time. When Mary cleaned out her food cabinet, she found:

(1) Five cans of spaghetti with clam sauce. She hadn't noticed the word "clam" when she bought them. John and the children refused to eat this dish.

(2) Six cans of sardines with mustard sauce. Again, no one wants this.

(3) Two boxes of regular oatmeal. Mary hadn't noticed that this kind had to be stirred occasionally while it cooked for 25 to 30 minutes.

Mary remembered buying these items. They were "specials." Now she would have to get rid of them because nobody in the family wanted them. Maybe she could give them away to one of her neighbors.

Development

The following questions may be asked to get to the main point of the story.

- Why did Mary buy those foods?
- When are sales not really bargains?
- What warnings to shoppers are found in this account?
- What similar experiences of wasteful shopping have you had?

Planning is very important in shopping for food.

- How does planning help to cut down on food waste? *(Buy only those things you can properly store.)*
- How does planning help you to get adequate nutrition for less money? *(Buy the food "specials" if you can use them; buy foods by the calendar; plan for a week or from payday to payday.)*
- How does planning help you to put good nutrition in your grocery cart? *(Good health demands enough food and different kinds of food such as dairy products, meat, fish, fruits, vegetables, bread, and cereal.)*

Pricing items in the store may be very confusing to some people. For example, is 2/39 cheaper than 20 cents each? There are many combinations of prices. Here are some of the more common prices stamped on canned goods:

2/19, 3/1.00, 4/99, 5/1.00 These figures and all following examples should be put on the chalkboard.

- What does the slash stand for?
- What does the first number stand for?
- What do the numbers after the slash show?
- How do we find the unit cost or how much does each can cost? *(In the price of 2/15, we divide 2 into 15 and arrive at 7 1/2¢ for the answer. That is, 2 times 7 1/2 equals 15. Or, we can figure about 8 cents for each canned good.)*

  Another example would be 4/99. We again divide 4 into 99 and get 24 3/4 per unit or in round numbers 25 cents for each item.

Now, here are some examples for you to work out. The question is to find out how much each single item would cost if the price reads:

2/99, 3/59, 4/85, 5/100, 6/89, 9/100, 12/89

On canned goods we see certain abbreviations for the weight of the food inside. These should be put on the chalkboard.

oz. stands for ounces and it takes 16 oz. to make 1 pound.

lb. stands for pound and this has 16 ounces.

pt. stands for pint and there are 16 fluid ounces in 1 pint.

qt. stands for quart and there are 2 pints in 1 quart.

avoir. or avdp. weight system based on 16 ounces to a pound.

The teacher should be able to explain the meanings of these terms and show a few illustrations, i.e., point out that sizes of "quart" bottles that on closer inspection may not be full quarts.

Distribute Worksheet A. Allow the students a few moments to scan the illustration and then ask questions like the following:

- How can we save money by comparison shopping?
- When are fresh fruits and vegetables the cheapest?
- Why is it necessary to look carefully at the net weight of an item?

Worksheet B is for those who are capable of using it.

The worksheets may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard.
- Select a small committee to organize and present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

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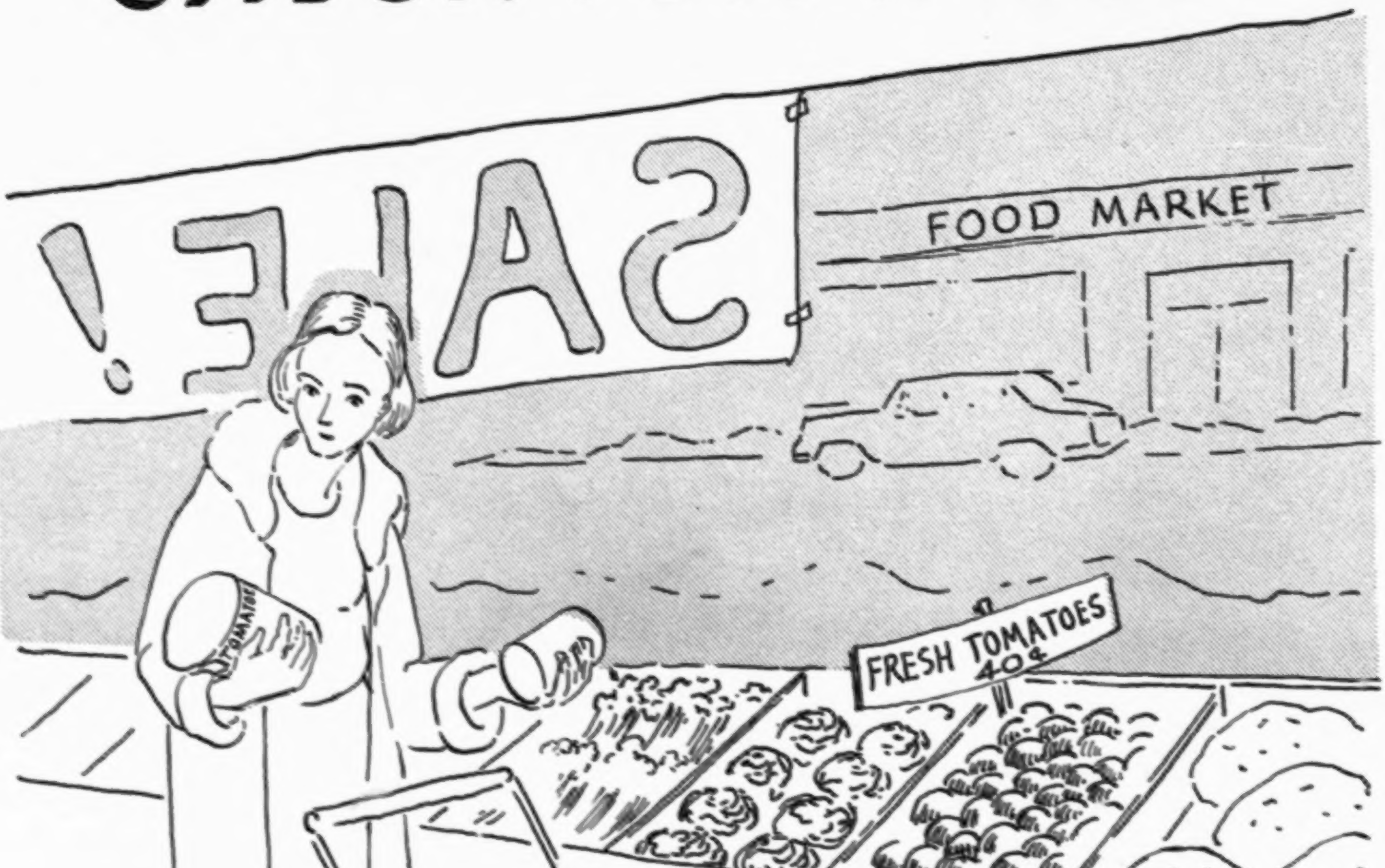
Student Worksheet A: *Shopping for Food*

CHECK FOR VALUE


SALE!
FOOD MARKET
FRESH TOMATOES 40¢

NEW YORK STATE EDUCATION DEPARTMENT
Bureau of Continuing Education Curriculum Development

Student Worksheet B: *Shopping for Food*

Instructions: Read each of the following and put a check in the box t indicate the correct choice.

1. WHICH ONES WOULD PROBABLY BE CHEAPER?

☐ Tomatoes in late summer

☐ Tomatoes in winter

2. WHICH IS CORRECT?

☐ Only expensive cuts of meat are nutritious.

☐ All cuts of meat are nutritious.

3. WHICH IS THE BETTER BUY?

☐ Spaghetti with meatballs, 15 oz. for 31¢

☐ Spaghetti with meatballs, 2 lbs. for 52¢

4. WHICH IS MORE CORRECT?

☐ Canned foods are always cheaper

☐ Foods in season are cheaper

5. COMPARISON SHOPPING MEANS:

☐ Looking at more than one store before buying

☐ Buying at the nearest store before comparing

DISCOUNT AND SEASONAL

Background Material for the Teacher

Sales can save you money. But the sign "SALE" does not always mean you are saving money. We should learn to avoid phony sales and to recognize real bargains. The first step in recognizing a valid sale is to become familiar with the prices and quality of merchandise. This can be done by comparison shopping.

Price reductions are greatest at stores that plan their sales well in advance of the actual date and sell goods from their regular stock.

Here are some of the types of sales:

Seasonal Clearance Sales: The prices of goods left over at the end of the season are reduced at clearance sales. The price reductions on clothing and on some household goods are usually large because stores cannot carry this merchandise over to the next season.

Special Purchase Sales: Stores pick up surplus goods from manufacturers and wholesalers at reduced prices and pass the savings on to the customer. Some of the merchandise may be marked "second" or "irregular." The imperfections may be slight so these may be good buys. The prices at special purchase sales may not be as low as those of a clearance sale, but these sales are held more often.

Dollar Day Sales: This is a shopping day when several stores will offer a number of items at $1.00. There is need to remember what the price was before as items may not always be marked down and some may even be marked up.

Good buys in merchandise occur during the following months:

January:	winter clothes, furniture, household linens, and major household appliances
February:	home furnishings, rugs, and summer merchandise
March:	small household appliances and kitchenware
April:	spring clothing
July:	spring and summer clothing and new cars
August:	furniture, furs, and coats
September:	clothing and housewares

Suggested Lesson Plan

Aims

- To acquaint the students with different types of sales
- To help students recognize real bargains and avoid phony sales
- To help students understand certain discount figures

Motivation

Read the case study to the class asking them to think about the following problems as they listen:

- What is the meaning of a Dollar Day Sale?
- When is a "sale" a trap?

Did This Ever Happen to You?

"DOLLAR DAY SALE! DOLLAR DAY SALE! GREAT VALUES!" The sweater and gloves on display in the window were on sale.

"They're okay," thought Joe. "Three dollars for the sweater and a dollar for the gloves. Not bad."

Joe went into the store and walked up to the counter where the only salesman was just giving a customer her change.

"What can I do for you, sir?" asked the salesman.

"I'd like to look at the sweater you have on sale," replied Joe.

"What is your size?" asked the salesman.

"Medium," said Joe.

The salesman pulled out the drawer of sweaters and after looking through them he said, "I'm sorry, sir, but I have no mediums."

Joe showed his disappointment. He asked the salesman to get him a size 8 glove in brown. But the salesman said that the store was out of that size and color.

"We have some better quality sweaters and gloves at other prices, sir. Would you like me to show them to you?" asked the salesman.

"No," said Joe. "I'll just look around for a second."

Joe's eyes fell on a cigarette lighter. He bought it for a dollar.

When he got home Joe found that the lighter sometimes worked and sometimes didn't--just like his old one. And, when Joe showed the lighter to a friend, the friend showed Joe one just like it. He had paid only 39 cents for his.

Development

During this discussion, try to have your students focus on the implications of the story.

- Did you ever find yourself in the same position as Joe? That is to say, did you ever feel you were getting a bargain but really you were not?

Allow those who volunteer to tell their story. If there are no volunteers, you might tell them about your own experience or that of someone you know. Be sure to include such factors as the alluring advertising which caused the desire for the item on sale, the purchase of this or a more expensive item, and the disillusionment after the item was brought home.

- Have you ever wondered whether you were really getting a bargain?

- Did this wondering lead you to check this "bargain price" in other stores?

It is possible that not all sales are bargains. List the following three types of sales on the chalkboard, and ask the class to define them.

Seasonal Clearance: *(goods left over at the end of the season and sold at large reductions)*

Special Purchase Sale: *(a store buys extra goods from a manufacturer at reduced prices and sells these goods at lower prices; the goods have slight imperfections so look for these words--"if perfect," "seconds," "irregulars.")*

Dollar Day Sale: *(a shopping day when several stores will offer a number of items at $1.00. There is need to remember what the price was before as items may not always be marked down and some may even be marked up.)*

Note to the teacher:

Discount Figures: Depending on the ability of the class to handle mathematics, this section ought to be taught very carefully and simply. In some cases, it may not even be thought advisable to touch on it at all; however, the decision of how deeply to dwell in this area is left to the classroom instructor.

Examples:

(1) Stated in dollars and cents

Women's Dresses

regularly	$10.00
reduction	2.50
now	$ 7.50

(2) Stated in fractions

Dresses

regularly	$10.00
1/4 off	2.50
new price	$ 7.50

(3) Stated in percentage

Dresses

regularly	$10.00
25% off	2.50
new price	$ 7.50

Summary

Distribute Worksheet A. Allow the students a moment to scan the illustration and then ask questions like the following to begin the discussion:

- Can you describe a seasonal clearance sale?
- Are all sales really bargains?
- What does "second" mean on a clothing tag?

Worksheet B is for those who are capable of using it, and may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard or overhead projector.
- Select a small committee to present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

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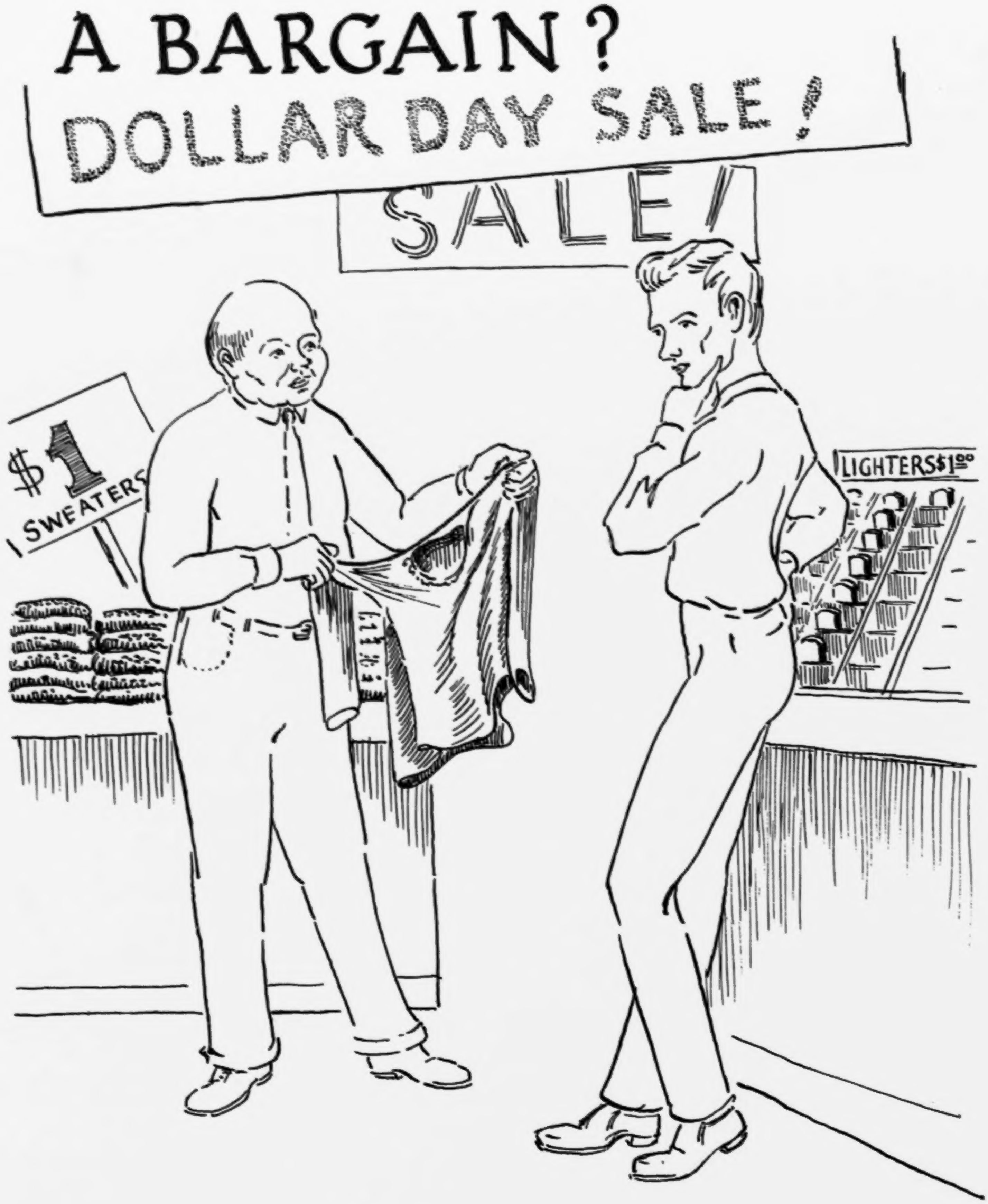
Student Worksheet A: *Sales: Discount and Seasonal*


A BARGAIN?
DOLLAR DAY SALE!
SALE!
$1 SWEATERS
LIGHTERS $1.00

NEW YORK STATE EDUCATION DEPARTMENT
Bureau of Continuing Education Curriculum Development

Student Worksheet B: *Discount and Seasonal*

Instructions: Read each of the following and place a check in the box to indicate the correct choice.

1. WHAT KIND OF SALE DO THESE TWO SENTENCES TELL ABOUT?

   A store does not want to keep clothes until next year, so it puts them on sale. This sale is called a

   ☐ Dollar Day Sale ☐ Seasonal Clearance Sale

2. SPECIAL PURCHASE SALE:

   A suit has a tag marked "irregular."
   A suit has a tag marked "second."

   ☐ "Second means a lower price than an "irregular."

   ☐ Both the same

3. WHAT DO YOU PAY?

   There is a sale on men's socks.
   Regularly $.80
   Now $.40

   ☐ You pay 40% of the regular price.

   ☐ You pay 50% of the regular price.

4. WHAT DO YOU PAY?

   Ladies' handbags are regularly $5.00.
   Now they are $2.50.

   ☐ This is a ¼ off sale.

   ☐ This is a ½ price sale.

5. HALF PRICE SALE:

   A store has ½ price sale on a sweater that costs $7.00 regularly.
   What should you pay for it?

   ☐ $3.50

   ☐ $4.00

   ☐ $4.50

THE LANDLORD-TENANT RELATIONSHIP

Background Material for the Teacher

The landlord-tenant relationship is a two-way street. Each party owes something to the other. Each has certain rights.

The landlord has to provide a livable shelter for the tenant, and the tenant must keep it livable. Sometimes these duties are spelled out in a lease.

A lease is a legal contract between landlord and tenant. Like other important papers, it should be read *carefully before* it is signed.

Here are some things to look for in reading a lease: the amount of rent and the date on which it is to be paid; the length of the lease (The tenant is responsible for the rent of the apartment for the length of the lease. He may have to pay rent for the apartment even if he moves out.); terms under which the apartment may be sublet; use and care of the property (The lease may forbid alterations to the property by stating that the tenant leave it the way he found it. Some landlords demand a security in the form of a month's rent to cover any damages to the property.); and the services to be provided by the landlord, such as necessary repairs.

The tenant should try to find an apartment which is large enough for his family. This will make it easier to keep the apartment in good condition. Children should not be allowed to deface the walls of the apartment or otherwise damage it. Tenants should also cooperate by keeping the public halls clean.

Most cities have agencies which enforce the laws requiring landlords to keep their buildings in good repair. Find out where this agency is in your city.

Suggested Lesson Plan

Aims

- To point out the mutual responsibilities of landlord and tenant
- To acquaint students with those agencies that assist landlords and tenants with their problems

Motivation

Tell the following story asking the class to consider the following questions:

- What gamble do people take when they want to break their lease?
- Whom do leases protect?

Don't Let This Happen to You

John and Mary were eager to sign a lease for the apartment because they had a hard time finding one. Even though the rent was more than they could afford without stinting on other items, they felt it was worth the extra money. The landlord asked them for security money equal to two months' rent in case the apartment were damaged while they lived there. At the end of the lease period, they would get this money back if everything were in order.

The couple signed a three-year lease but within a year they decided to move. They approached the landlord about breaking the lease. He agreed to this, saying that he would keep the security money in order to repaint the apartment. It was an expensive move, but since they had signed the lease, there was no getting around it.

Development

Discuss the story for its implications about the rights and responsibilities of landlord and tenant by re-asking the questions posed at the beginning of the lesson. Then lead into the following questions:

- What good is a lease if it can be broken?
- Should the couple have arranged a lease for a shorter term? Would there be any advantage in having an apartment with a long 3 or 5-year lease?
- Have you encountered any of these problems?

    Landlord not willing to make repairs

    Landlord not providing items promised

    Landlord frequently raising rent

Tenants not knowing where to go for help

Discuss the following questions and put the students' responses on the chalkboard or overhead projector. Be sure to guide them so as to obtain the suggested answers:

- As a tenant, what do you expect from the landlord? *(To provide a suitable place in which to live; to maintain the place; to provide heat, water, and other utilities or services agreed upon at the time of renting; and to keep the rent at a fair level)*

- What should a landlord expect from his tenants? *(To pay rent on time; to take care of property; and to be considerate of the other tenants)*

- What local agencies help landlord and tenant?

Supposing the plumbing or elevator facilities have broken down. You've called the landlord and nothing has been done for a day or even two days. What can you do?

Most large cities have listed in the telephone directory under city agencies, *a Department of Buildings*. A call to this agency voicing the complaint should evoke some favorable response to the case.

Similarly if you are renting an apartment without a lease, and the landlord periodically raises the rent without providing any additional service, you may call the local *Rent Control Office*. However, since not all cities may have this, a visit to the *Legal Aid Society* will provide you with legal recourse to have the rent kept in line with the quality of the apartment.

Summary

If desired, distribute a duplicated copy of an actual lease to the class, or use the opaque projector to illustrate a lease. Above all, *avoid reading the lease in its entirety*. It would be preferable just to interpret the opening statement of some parts to the class. Essentially, this would be a review of the lesson.

Distribute Worksheet A. Allow the students a moment to scan the illustration and then ask questions like the following to begin the discussion:

- What are some of the important points to look for in a lease?

- What is a responsibility of a good landlord?

- What is an obligation of a good tenant?

- What local agencies are available to assist a tenant?

Worksheet B is for those who are capable of using it.

The worksheets may be used in a variety of ways:

- Divide the class into groups according to reading ability and encourage the students to formulate discussions.
- Use the questions to formulate a summary on the chalkboard.
- Select a small committee to organize and present its findings to the class.
- Select three students: one to read the questions, one to answer the questions, and a third to write the answers on the chalkboard.

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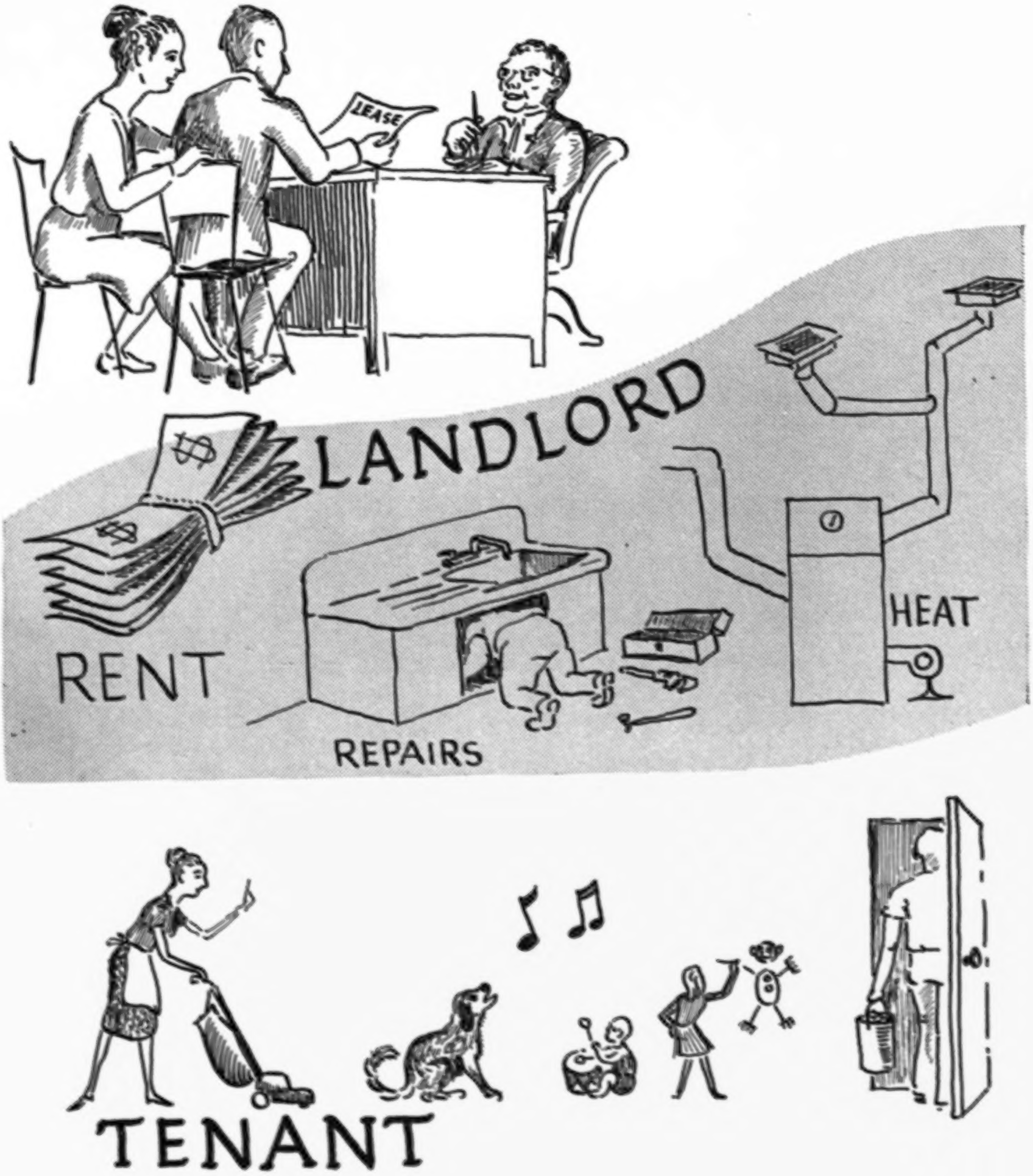
Student Worksheet A: *Landlord-Tenant Relationship*

WHAT IS A LEASE?


LEASE
LANDLORD
$
RENT
REPAIRS
HEAT
TENANT

NEW YORK STATE EDUCATION DEPARTMENT
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Student Worksheet B: *The Landlord-Tenant Relationship*

Instructions: Read each of the following and put a check in the box or boxes to indicate the correct choice.

1. A GOOD LEASE TELLS:

☐ Only the rights of the tenants

☐ Only the rights of the landlord

☐ The rights of landlord and tenant

2. A GOOD TENANT:

☐ Allows his children to damage the house or apartment

☐ Trains his children to care for house or apartment

3. A GOOD LANDLORD:

☐ Makes necessary repairs

☐ Lets tenant make necessary repairs

4. THESE ARE AGENCIES TO HELP LANDLORD AND TENANT:

☐ Department of Parks

☐ Department of Buildings

☐ Rent Control Office

5. THESE ARE SOME RESPONSIBILITIES OF THE TENANT:

☐ To keep hallways clean

☐ To keep apartment clean

☐ To pay rent on date due

cut here

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TEACHER'S EVALUATION FORM: *Social Living Skills Materials*

Consumer Education

Check (✓) the appropriate comments below:

1. The Teachers' Manuals:
   - *Philosophy and Techniques*
   - *Getting Credit*
   - *Shopping for Money*

provide adequate background material ___
provide specific help ___
show little relevance to your situation ___

Comments and Suggestions:

---

2. The lesson plans are:

well-organized and meaningful ___
helpful in teaching classes ___
appropriate for your classes ___
lacking in varied techniques ___
trying to cover too much ___

Comments and Suggestions:

---

3. The filmstrip, *Getting Credit:*

stimulates class interest ___
is helpful in stressing concepts ___
presents pertinent content ___
lacks appropriateness ___
possesses little value ___

Comments and Suggestions:

---

4. The flipchart, *Shopping for Money:*

stimulates class interest ___
is helpful in stressing concepts ___
presents pertinent content ___
lacks appropriateness ___
possesses little value ___

Comments and Suggestions:

cut here

This booklet is published primarily for use in the schools of New York State, and free copies are available to New York State school personnel when ordered through a school administrator from the Publications Distribution Unit, State Education Building, Albany, New York 12224.

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JUL 29 1968
on Adult Education

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STUDENT WORKSHEETS

FOR CONSUMER EDUCATION LESSON PLANS

adult basic education

THE UNIVERSITY OF THE STATE OF NEW YORK/THE STATE EDUCATION DEPARTMENT
BUREAU OF CONTINUING EDUCATION CURRICULUM DEVELOPMENT/ALBANY

AC002638

INSTRUCTIONS FOR USING THE MATERIALS IN THIS PUBLICATION

The following pages are designed as master copies of the worksheets which are attached to the lesson plans in the lesson plan manual. They may be used in any of the following ways:

- Use them to make thermal masters in any thermal copier.
- Use them to make electronic stencils if the necessary equipment is available.
- Use those which are illustrated as visuals with an opaque projector following the directions found in the flipchart manual.
- Use them to make transparencies for overhead projection following the directions found in the flipchart manual.
- Use them to have duplicating masters or stencils made commercially.

In any case, store these pages in a file holder, manila envelope, or other safe place to which they may be returned after each use. Duplicating masters and stencils may also be saved to be used again as needed.

The worksheets themselves should be used to reinforce and review the lessons. The instructions given in the *Lesson Plan Manual* should be followed carefully, particularly those which refer to the illustrated worksheets. Students should take the worksheets home where they may provide the following:

- Additional reinforcement
- Opportunities for further dissemination of information
- Material for children to color and bring to school for bulletin boards or "show and tell" activities (providing opportunities for parents to teach their children and help them to experience success in school)

Additional uses for these materials may develop. Each teacher using the material should feel free to experiment and share his ideas with others.

Page numbers refer to pages as numbered in the *Lesson Plan Manual*.

NEW YORK STATE EDUCATION DEPARTMENT
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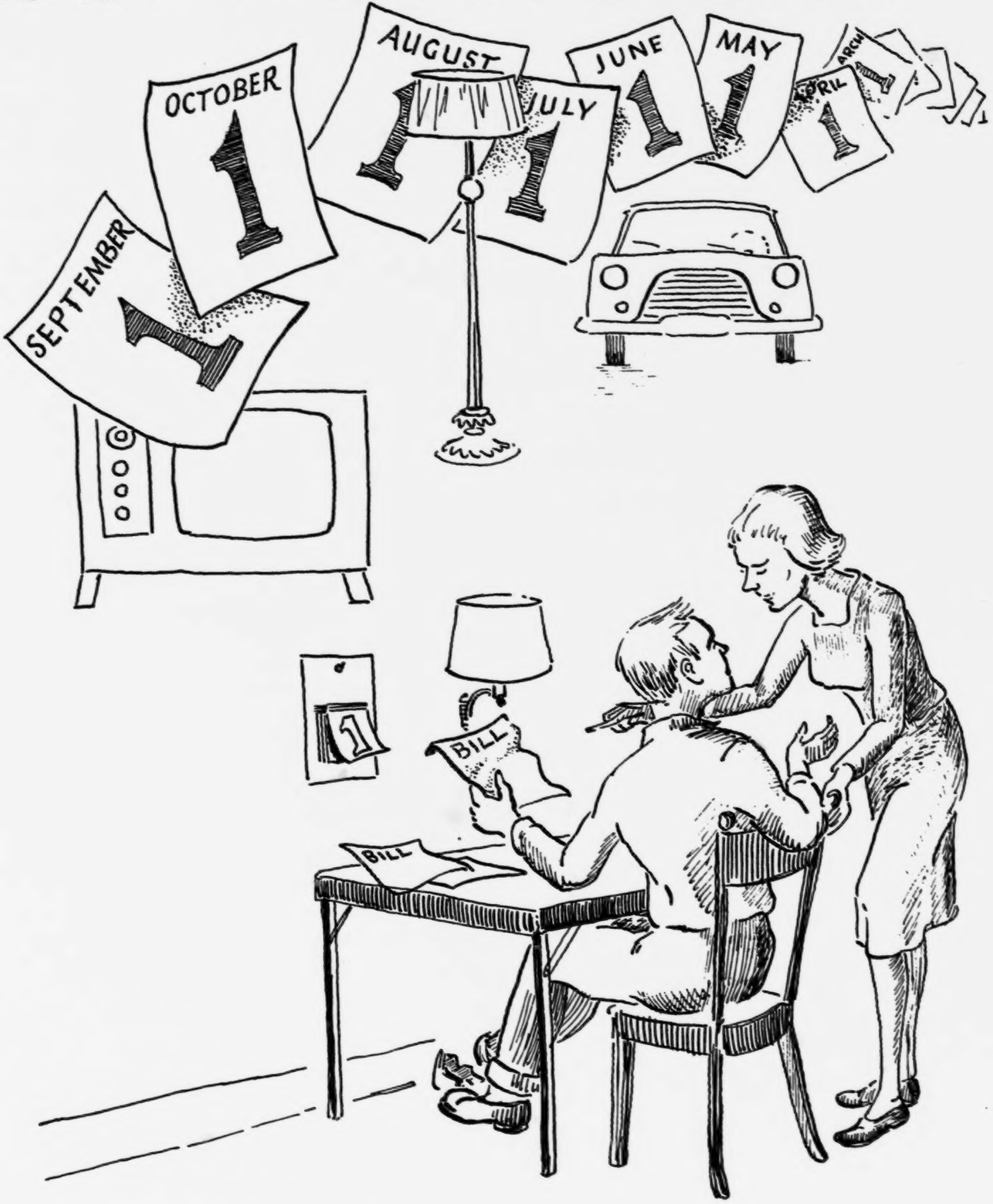
Student Worksheet A: *Buying on Time*

CAN WE AFFORD IT?


SEPTEMBER
1
OCTOBER
1
AUGUST
1
JULY
1
JUNE
1
MAY
1
APRIL
1
MARCH
1
BILL
BILL
1

NEW YORK STATE EDUCATION DEPARTMENT
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Student Worksheet B: *Buying on Time*

Instructions: Read and discuss the following questions with the class.

1. Your monthly income is $300.00. Your expenses are $280.00. A new color TV set costs $20.00 each month, and you already have an old, small-screen TV.

   - Can you afford the TV set?
   - Should you buy it if you think you can afford it?
   - What can you do to tell if you can afford it?

2. Your 1952 car runs well, but it costs about $25.00 each month for repairs. A newer car (1960) costs $40.00 each month on the installment plan.

   - Should you buy the newer car? Why or Why not?

3. WHY DO WE BUY ON TIME? (Check the correct choice.)

   ☐ To keep up with our friends

   ☐ To brag to our neighbors

   ☐ To make our lives easier

   ☐ To feel rich

4. Total cost of refrigerator including finance charges is $224.00. The original cost of refrigerator is $200.00.

   - How much are the finance charges?
   - Can you see that financing any purchase costs a good deal?

5. How do *you* answer these questions *before* you buy anything on time?

   - Do I really need it?
   - Can I afford it?
   - How much will the service credit charge add to the cost?
   - How much are the monthly payments?
   - Can I get cheaper credit somewhere else?

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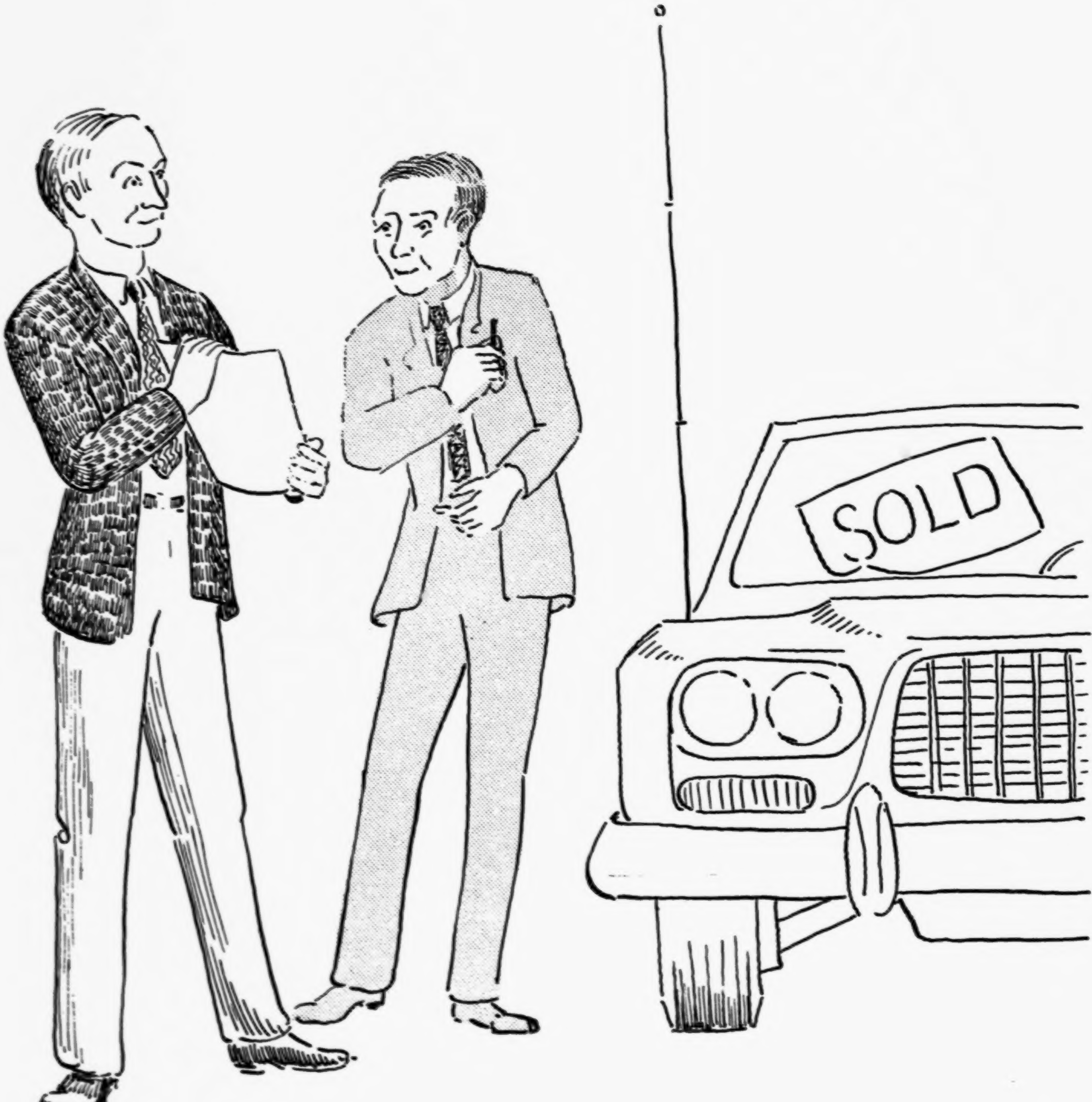
Student Worksheet A: *Retail Installment Contract*

DOES HE KNOW WHAT HE IS SIGNING?



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Student Worksheet B: *Retail Installment Contract*

Instructions: Read the following and put a check in the box to indicate the correct choice.

1. A BUYER:

☐ Must tell the seller before he moves

☐ Can move without telling the seller

2. A PERSON WHO BUYS ON THE INSTALLMENT PLAN:

☐ Owns the goods while paying for it

☐ Does not own the goods until he pays in full

3. A PERSON WHO BUYS ON THE INSTALLMENT PLAN:

☐ Can be charged up to $5.00 if his payment is later than 10 days

☐ Does not have to pay late charges if his payment is late

4. A BUYER ON THE INSTALLMENT PLAN:

☐ Is responsible for any loss of goods

☐ Is not responsible for any loss of goods

5. THE RETAIL INSTALLMENT CONTRACT PROTECTS:

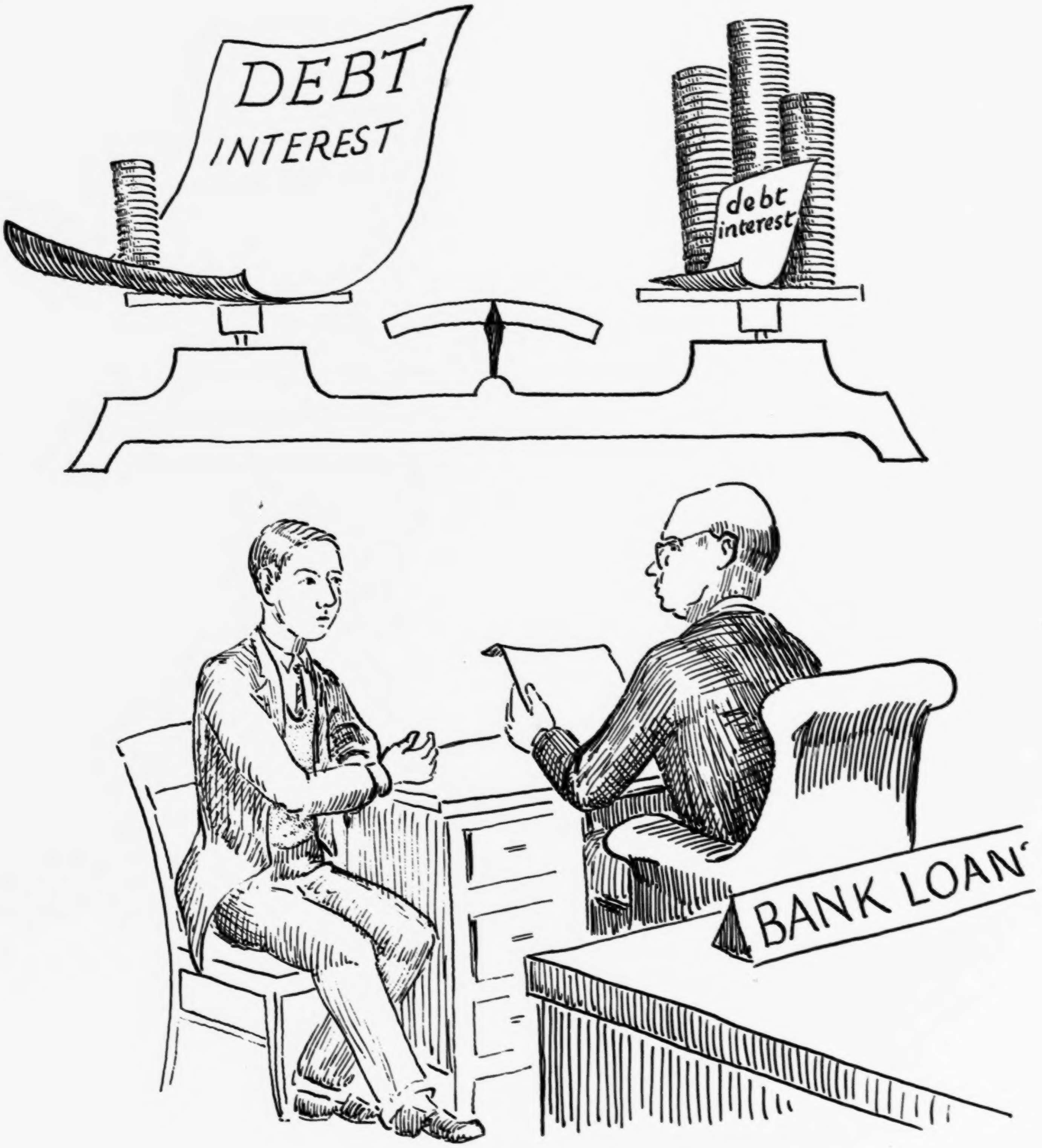
☐ The buyer

☐ The seller

☐ Both

Student Worksheet A: *Shopping for Money*

HOW LARGE A DOWNPAYMENT?


DEBT
INTEREST
debt
interest
BANK LOAN

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Student Worksheet B: *Shopping for Money*

Instructions: Read each of the following and put a check in the box or boxes to indicate the correct choice or choices.

1. WHICH OF THE FOLLOWING IS NOT LICENSED BY LAW?

☐ Small loan company

☐ Credit union

☐ Pawnbroker

☐ Bank

☐ Loan shark

2. WHICH OF THE FOLLOWING ARE TRUE?

☐ Paying your bills on time can help you get a low interest loan.

☐ Being a credit risk can help you get a low interest loan.

☐ Saving money for a large downpayment lowers the amount of interest you will have to pay.

3. WHICH TWO OF THE FOLLOWING GIVE YOU LOANS AT THE LOWEST INTEREST?

☐ Bank

☐ Credit union

☐ Small loan company

☐ Loan shark

4. WHICH ONE MAY UNLAWFULLY CHARGE YOU UP TO 100% INTEREST?

☐ Loan shark

☐ Credit union

☐ Bank

5. WHICH SHOULD YOU DO?

☐ Read a contract before you sign it.

☐ Sign a contract before you read it.

☐ Have a friend assist you in reading and understanding a contract.

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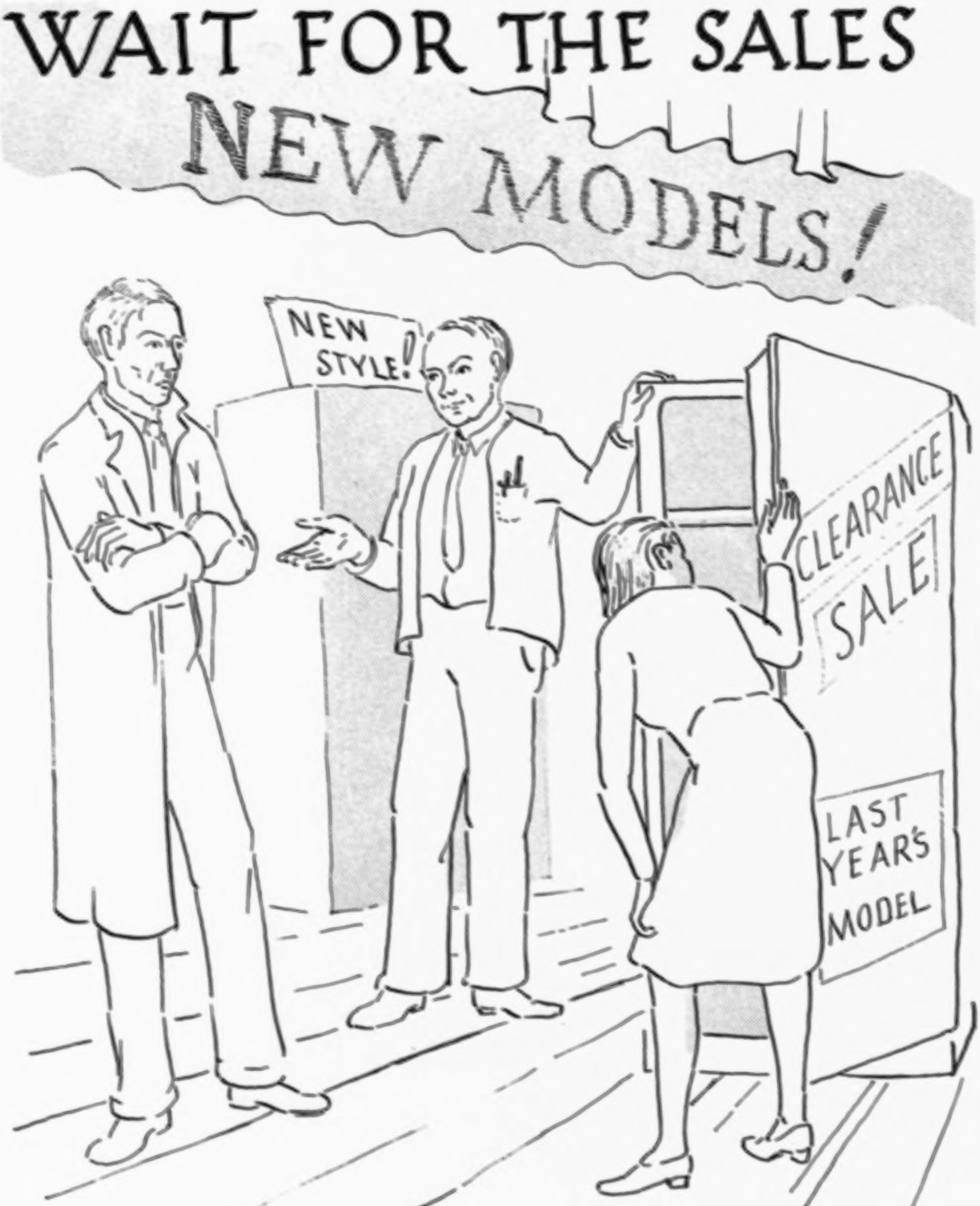
Student Worksheet A: *Getting More for Your Money*


WAIT FOR THE SALES
NEW MODELS!
NEW STYLE!
CLEARANCE SALE
LAST YEAR'S MODEL

NEW YORK STATE EDUCATION DEPARTMENT
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Student Worksheet B: *Getting More for Your Money*

Instructions: Read each of the following and put a check in the box to indicate the correct choice.

1. YOU CAN GET MORE FOR YOUR MONEY BY:
   - ☐ Reading the labels on boxes and cans carefully
   - ☐ Not wasting time reading the labels on boxes and cans
2. FOR THE BEST BUY:
   - ☐ Shop only at one store
   - ☐ Check prices of the same item at different stores
3. TO GET MORE FOR YOUR MONEY:
   - ☐ Plan in advance for the things you need
   - ☐ Buy when you see a "bargain"
4. TO GET MORE FOR YOUR MONEY:
   - ☐ Buy the Family Size
   - ☐ Check the net weight
5. TO KNOW MORE ABOUT THE VALUE OF THE ITEM YOU WISH TO BUY:
   - ☐ Ask the salesman
   - ☐ Buy the cheaper item

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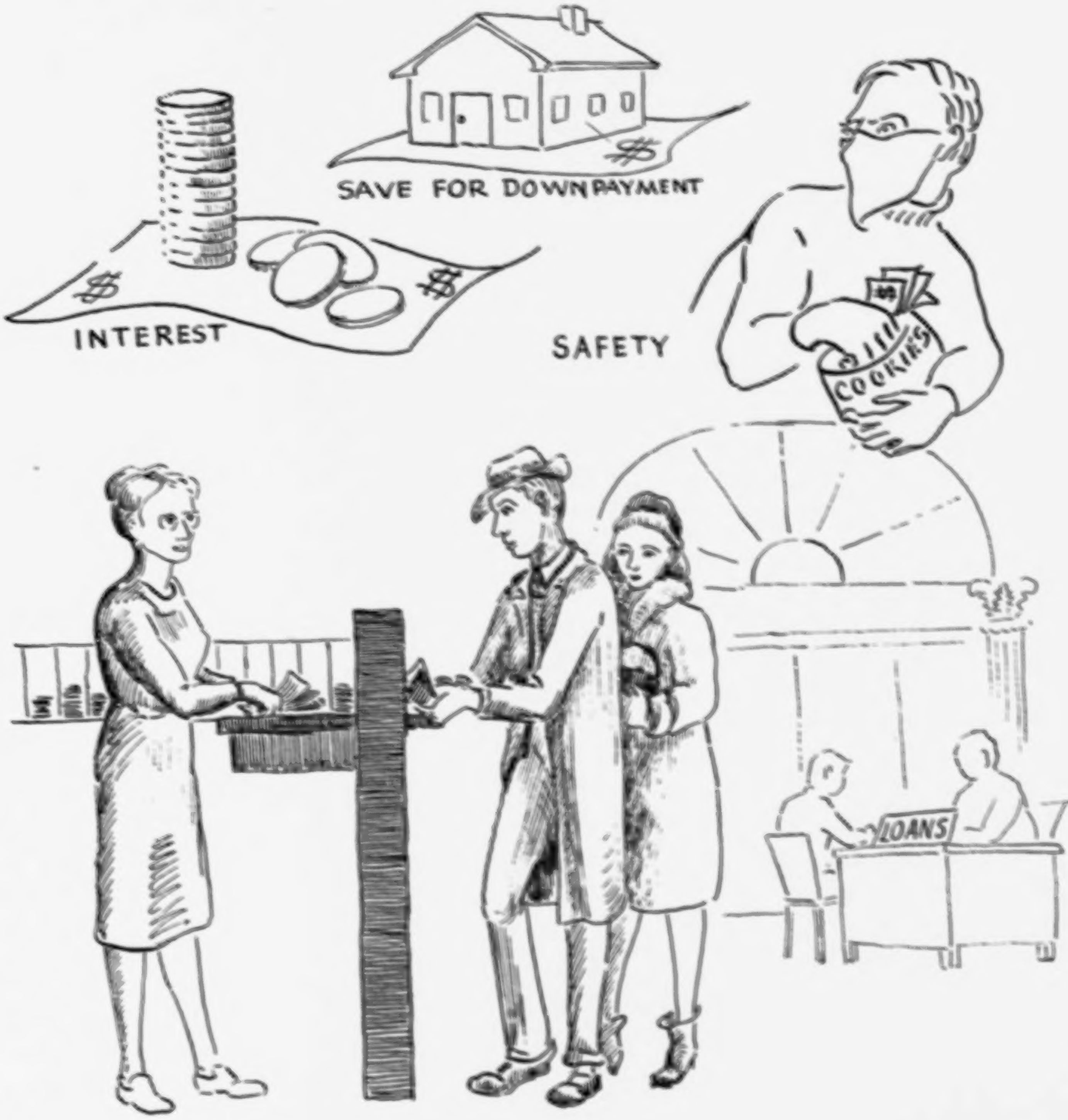
Student Worksheet A: *Banking Services*

PUT YOUR MONEY INTO A BANK


SAVE FOR DOWNPAYMENT
$
$
$
INTEREST
SAFETY
COOKIES
$
LOANS

NEW YORK STATE EDUCATION DEPARTMENT
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Student Worksheet B: *Banking Services*

Instructions: Read the following and put a check in the box to indicate the correct choice.

1. [A] CHECK [B] MONEY ORDER

☐ A is cheaper than B.

☐ B is cheaper than A.

2. [A] CHECKING ACCOUNT [B] REGULAR SAVINGS ACCOUNT

☐ A pays interest.

☐ B pays interest.

3. [A] SAVINGS BANKS [B] COMMERCIAL BANKS

☐ A loans mortgage money to buy a house.

☐ B loans mortgage money to buy a house.

4. [A] SAVINGS BANKS [B] COMMERCIAL BANKS

☐ A offers checking accounts.

☐ B offers checking accounts.

5. [A] SAVINGS BANKS [B] COMMERCIAL BANKS

☐ A sells life insurance.

☐ B sells life insurance.

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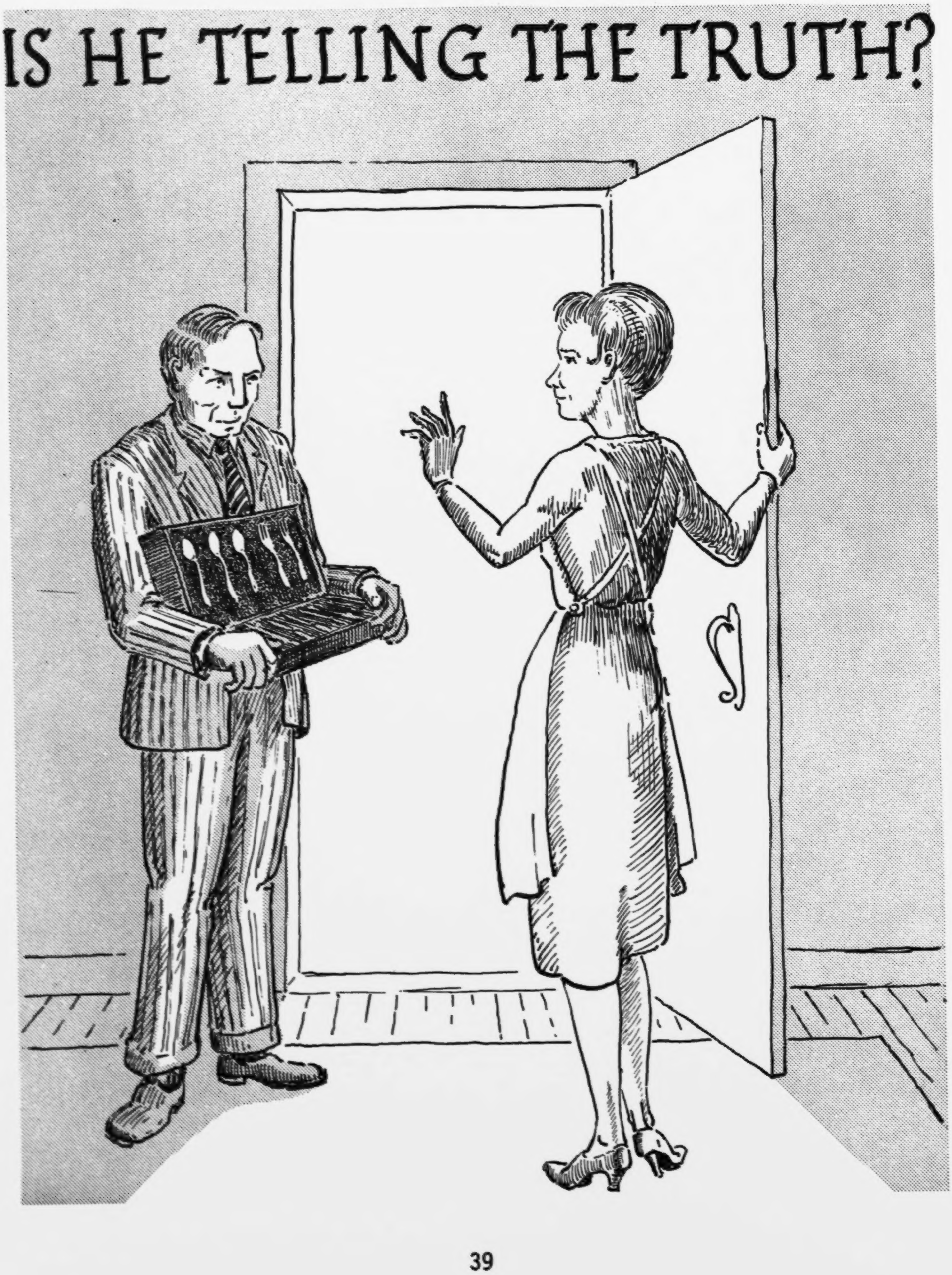
Student Worksheet A: *Fraudulent Selling*


IS HE TELLING THE TRUTH?

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Student Worksheet B: *Fraudulent (Dishonest) Selling*

Instructions: Read the following and put a check in the box to indicate the correct choice.

1. THE LOW PRICE IS THE DECOY AT A:

   ☐ Bait-and-Switch Sale

   ☐ Fire Sale

   ☐ Going-Out-of-Business Sale

2. THESE AGENCIES HELP THE CONSUMERS: (Check 2)

   ☐ Department of Parks

   ☐ Attorney General's Office

   ☐ Public Service Commission

3. CLOTHES MAY HAVE WATER DAMAGE AT A:

   ☐ Going-Out-of-Business Sale

   ☐ Fire Sale

   ☐ Bait-and-Switch Sale

4. A FRAUDULENT, DISHONEST SELLING PRACTICE:

   ☐ Referral Selling

   ☐ Seasonal Clearance Sale

   ☐ Fire Sale

5. SELLING POOR GOODS AT HIGH PRICES IS:

   ☐ Good business

   ☐ Fraudulent (dishonest) selling

   ☐ Referral selling

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Student Worksheet A: *Shopping for Clothing*

SHOPPING FOR CLOTHING

SUITS
SALE!
QUALITY
CLOTHES
CHILDREN'S SHOES
STYLES
DRESSES
END OF SEASON

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Bureau of Continuing Education Curriculum Development

Student Worksheet B: *Shopping for Clothing*

Instructions: Read each of the following and put a check in the box to indicate the correct choice. In this worksheet the student ought to be prepared to answer "why" for questions 1 and 2.

1. IN MAKING A CLOTHING PRIORITY LIST FOR YOUR FAMILY, WHAT ARE THE FIRST TWO THINGS YOU WOULD PUT DOWN?

   ☐ Dress suit for husband

   ☐ Party dress for daughter

   ☐ Workclothes for family wage earner

2. OF THE FOUR STATEMENTS BELOW WHAT THREE MOST IMPORTANT POINTS SHOULD YOU CONSIDER BEFORE BUYING CLOTHING?

   ☐ The material used

   ☐ The workmanship

   ☐ The similarity to Hollywood styles

   ☐ The way the garment is to be cared for

3. WHAT SHOULD YOU LOOK FOR ON THE CLOTHING LABEL? CHECK TWO ANSWERS.

   ☐ The style of clothing

   ☐ The material the clothing is made of

   ☐ The care of the clothing

4. HOW CAN YOU TELL IF A SALE IS REALLY A BARGAIN? CHECK ONE ANSWER.

   ☐ Ask the salesman who is showing you the garment.

   ☐ Check the price of the clothing in other stores.

5. WHY SHOULD YOU TAKE YOUR TIME WHEN TRYING ON A SUIT OR DRESS? CHECK TWO ANSWERS.

   ☐ To make sure it fits properly

   ☐ To bargain with the salesman

   ☐ To compare quality and price from others tried on

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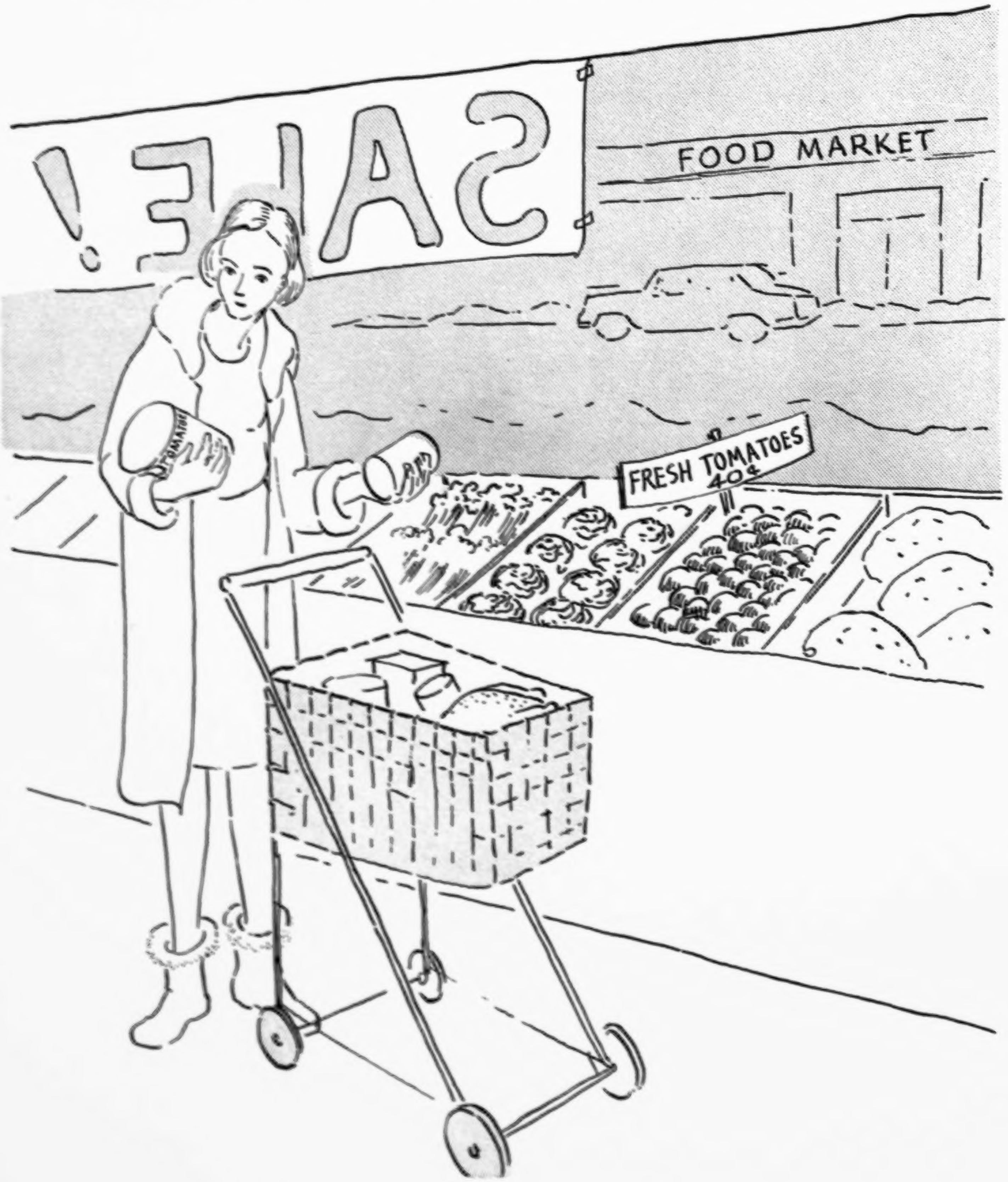
Student Worksheet A: *Shopping for Food*

CHECK FOR VALUE


SALE!
FOOD MARKET
FRESH TOMATOES 40¢
TOMATOES

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Student Worksheet B: *Shopping for Food*

Instructions: Read each of the following and put a check in the box to indicate the correct choice.

1. WHICH ONES WOULD PROBABLY BE CHEAPER?

☐ Tomatoes in late summer

☐ Tomatoes in winter

2. WHICH IS CORRECT?

☐ Only expensive cuts of meat are nutritious.

☐ All cuts of meat are nutritious.

3. WHICH IS THE BETTER BUY?

☐ Spaghetti with meatballs, 15 oz. for 31¢

☐ Spaghetti with meatballs, 2 lbs. for 52¢

4. WHICH IS MORE CORRECT?

☐ Canned foods are always cheaper

☐ Foods in season are cheaper

5. COMPARISON SHOPPING MEANS:

☐ Looking at more than one store before buying

☐ Buying at the nearest store before comparing

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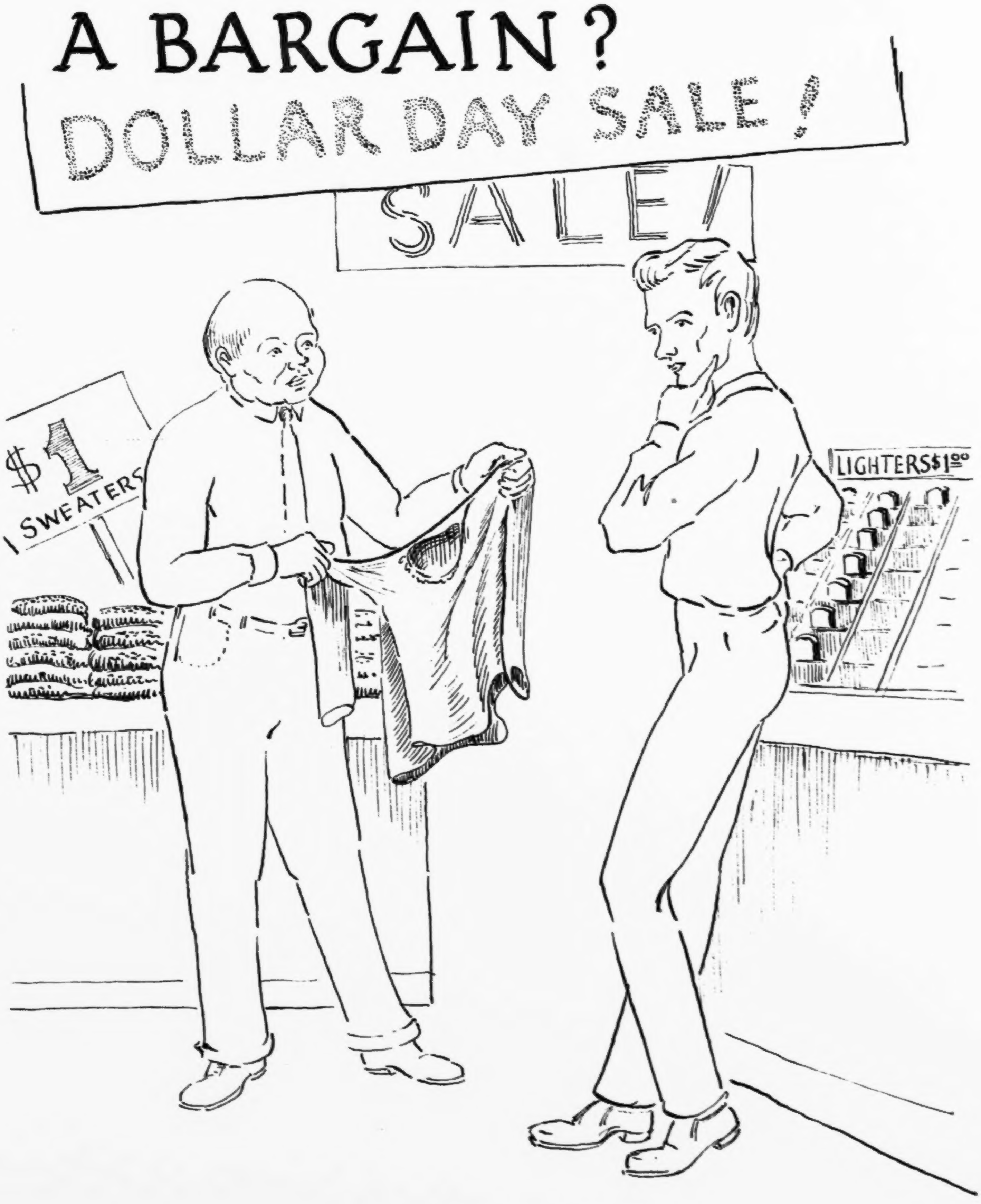
Student Worksheet A: *Sales: Discount and Seasonal*


A BARGAIN?
DOLLAR DAY SALE!
SALE!
$1 SWEATERS
LIGHTERS $1.00

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Student Worksheet B: *Discount and Seasonal*

Instructions: Read each of the following and place a check in the box to indicate the correct choice.

1. WHAT KIND OF SALE DO THESE TWO SENTENCES TELL ABOUT?

A store does not want to keep clothes until next year, so it puts them on sale. This sale is called a

☐ Dollar Day Sale ☐ Seasonal Clearance Sale

2. SPECIAL PURCHASE SALE:

A suit has a tag marked "irregular."
A suit has a tag marked "second."

☐ "Second means a lower price than an "irregular."

☐ Both the same

3. WHAT DO YOU PAY?

There is a sale on men's socks.
Regularly $.80
Now $.40

☐ You pay 40% of the regular price.

☐ You pay 50% of the regular price.

4. WHAT DO YOU PAY?

Ladies' handbags are regularly $5.00.
Now they are $2.50.

☐ This is a ¼ off sale.

☐ This is a ½ price sale.

5. HALF PRICE SALE:

A store has ½ price sale on a sweater that costs $7.00 regularly. What should you pay for it?

☐ $3.50

☐ $4.00

☐ $4.50

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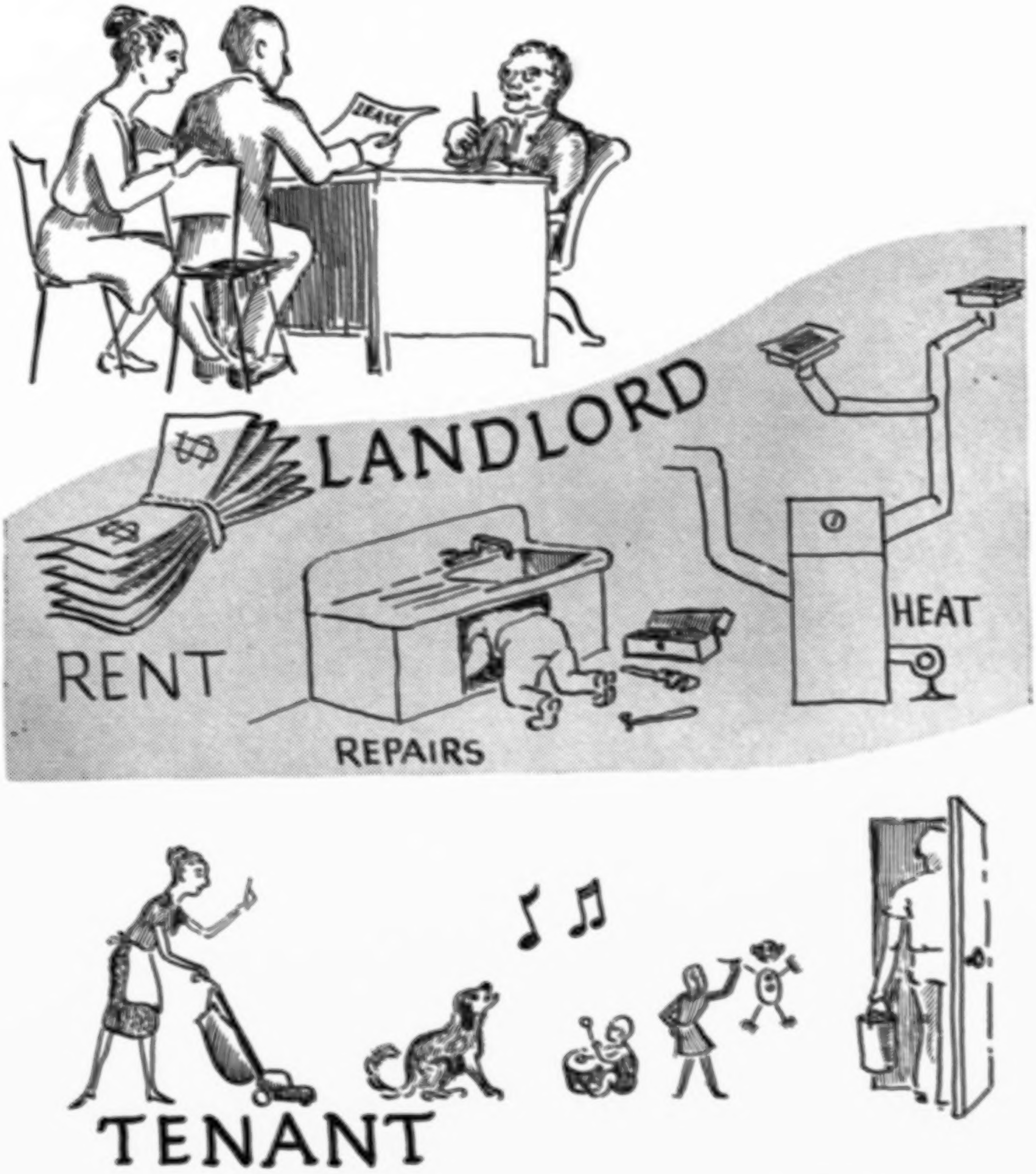
Student Worksheet A: *Landlord-Tenant Relationship*

WHAT IS A LEASE?


LEASE
LANDLORD
RENT
REPAIRS
HEAT
TENANT

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Student Worksheet B: *The Landlord-Tenant Relationship*

Instructions: Read each of the following and put a check in the box or boxes to indicate the correct choice.

1. A GOOD LEASE TELLS:

   ☐ Only the rights of the tenants

   ☐ Only the rights of the landlord

   ☐ The rights of landlord and tenant

2. A GOOD TENANT:

   ☐ Allows his children to damage the house or apartment

   ☐ Trains his children to care for house or apartment

3. A GOOD LANDLORD:

   ☐ Makes necessary repairs

   ☐ Lets tenant make necessary repairs

4. THESE ARE AGENCIES TO HELP LANDLORD AND TENANT:

   ☐ Department of Parks

   ☐ Department of Buildings

   ☐ Rent Control Office

5. THESE ARE SOME RESPONSIBILITIES OF THE TENANT:

   ☐ To keep hallways clean

   ☐ To keep apartment clean

   ☐ To pay rent on date due

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